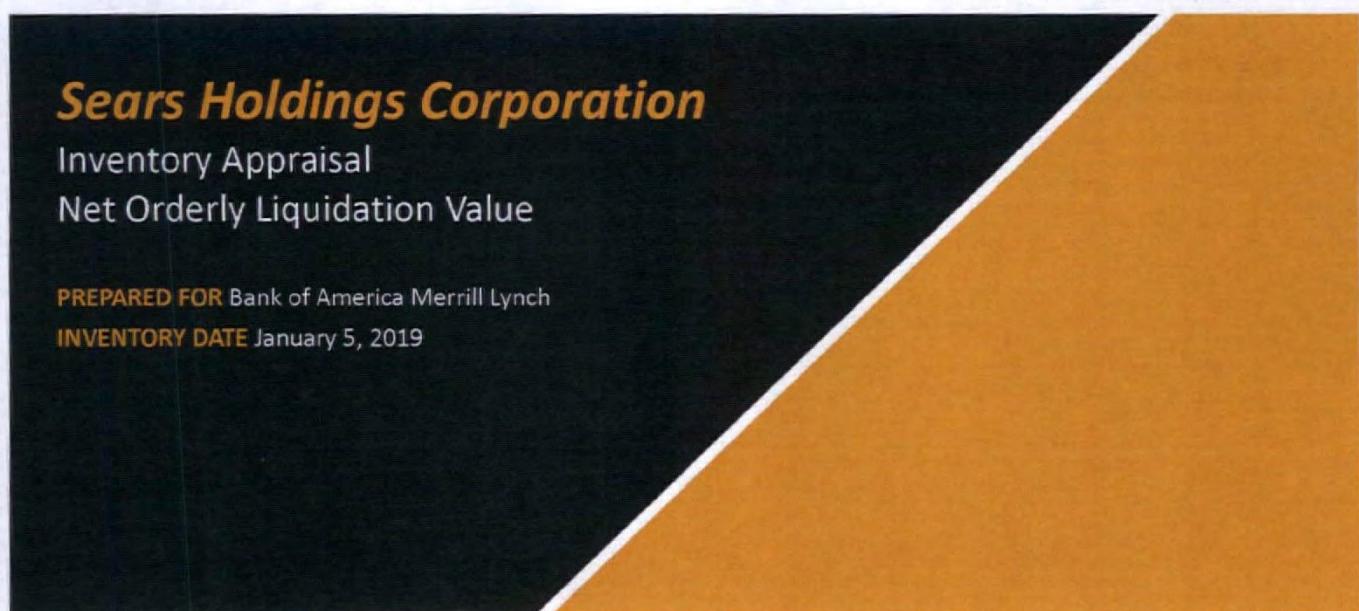


# **Exhibit 20**



February 4, 2019



NEW YORK | LOS ANGELES | BOSTON | SAN FRANCISCO | CHICAGO | SYDNEY | PERTH | MELBOURNE | BRISBANE

Griffith
Exhibit No. 10
Date: 7/10/19
Melissa Gilmore

HIGHLY CONFIDENTIAL

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**TIGER**

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## Nature of Engagement | Inventory Appraisal



### Nature of Engagement

#### Client / Company

Tiger Valuation Services, LLC ("Tiger") has been retained by Bank of America Merrill Lynch (the "Lender") to determine the net recovery value of the inventory of Sears Holdings Corporation ("Sears Holdings" or the "Company"). The analysis assumes a court-authorized going-out-of-business ("GOB") scenario with the Company's inventory being sold either to the general public through the Company's stores in a traditional GOB sale, or on a wholesale basis for inventory which is not traditionally sold through retail stores.

On October 15, 2018, the Company filed for Chapter 11 bankruptcy protection, and on October 26, 2018, it began holding store closing events at 142 stores (65 Kmart stores and 77 Sears Full Line stores), referred to as "Wave 1" closing stores in Tiger's previous reports. By the start of January 2019, which is the first month of Tiger's current rollforward analysis, Wave 1 stores were in the final days of their closing events; as such, Tiger did not provide NOLVs for Wave 1 stores.

On November 8, 2018, the Company announced that it would hold store closing events at an additional 40 stores (11 Kmart stores and 29 Sears Full Line stores) beginning on November 16, 2018; these 40 closing stores are referred to as "Wave 2" closing stores in Tiger's report.

The Company announced a third wave of closing stores consisting of 80 retail locations (37 Kmart stores and 43 Sears Full Line stores) on December 28, 2018. Closing events for this third wave of stores, referred to as "Wave 3" closing stores in Tiger's report, began on January 3, 2019.

A total of 425 stores (202 Kmart stores and 223 Sears Full Lines stores), referred to as "go-forward" locations in Tiger's report, are not scheduled to close.

Tiger's analysis also includes the Company's 239 Sears Auto Center locations, most of which are located within or adjacent to a Sears Full Line store. Of the 239 Sears Auto Centers, 38 are scheduled to close during the Wave 3 closing events; however, because store-closing events are not used to liquidate Sears Auto Centers, Tiger did not include the closing Sears Auto Centers within its analysis of Wave 3 stores.

In addition to inventory that was on hand, the Company reported inventory that was in transit from vendors to the Company's facilities.

Tiger provided separate NOLVs for on-hand go-forward store inventory, in-transit inventory, Wave 2 closing store inventory, and Wave 3 closing store inventory. For go-forward store inventory and in-transit inventory, Tiger has provided a rollforward analysis for the 12 months ending December 2019.

Because progressive discounting would be used throughout store closing events and the most desirable products would be purchased early in the sales, NOLVs for Wave 2 and Wave 3 closing stores would decline as the sales progress. For Wave 2 closing stores, Tiger provided NOLVs for each of the remaining three weeks of the store closing event scheduled to end on January 20, 2019. For Wave 3 closing stores, Tiger provided NOLVs for each of the 12 weeks of the store closing event scheduled to end March 24, 2019.

#### Bid Structure

The liquidation model depicted in this report values all eligible on-hand go-forward store inventory on an "equity bid" basis that reflects the willingness of Tiger Valuation Services, LLC's affiliated company, Tiger Capital Group, LLC, to provide an immediate cash guarantee on the inventory.

In-transit inventory is also valued on an equity bid basis. In retail liquidations, it is typical for in-transit inventory that is received within the first 30 days of the liquidation to be valued at the same price as the winning bid. After 30 days, the price paid by the liquidator is the initial equity bid less the prevailing liquidation discounts. Management stated that it typically takes 30 to 45 days for in-transit inventory to arrive at the Company's facilities. Tiger has valued in-transit inventory based on the expected timeline of its arrival as stated by management, incorporating the impact of the discounts that would be in effect after 30 days.

Wave 2 closing store inventory and Wave 3 closing store inventory is valued on a "fee" basis that reflects the existing Abacus liquidation agreement to manage the liquidation. The agent's fees are \$140,000 for each month of the sale.

## Nature of Engagement | Inventory Appraisal

TIGER

### Prescription Lists

In addition to NOLVs for the Company's inventory, Tiger has provided a net value for Sears Holdings' pharmacy prescription lists ("scripts") as of December 1, 2018. A detailed discussion of the sale of scripts is provided on pages 12 and 13 of this report.

### Shrink

Tiger has not adjusted the perpetual inventory at cost provided for this analysis to account for estimated shrink. Tiger notes that in GOB proceedings, a physical inventory count is typically performed to determine actual on-hand inventory amounts. Tiger therefore recommends that the Lender reserve for shrink.

### Timing

The analysis is based on inventory levels as of January 5, 2019. The Company provided inventory in detail as of December 1, 2018, and also provided store count and inventory projections through November 2019. Tiger used the inventory mix as of December 1, 2018 and the Company's inventory projections when developing NOLVs for January 5, 2019.

**This appraisal values only inventory located within the United States, including merchandise in the territories of Guam and Puerto Rico.**

Store banners operated by Sears Holdings as of the appraisal date include Kmart, Sears Full Line, Sears Grand/Essentials, and Sears Auto Centers. For the purposes of this analysis, the Company's four Sears Grand/Essentials locations have been included in the Sears Full Line division.

### Field Visits

As part of the review process, Tiger representatives visited 33 stores. The field evaluations were arranged so that representatives visited each operating retail business segment, or banner, including 11 Sears Full Line Stores, eight Sears Auto Centers, and 14 Kmart locations. Twenty-nine of the visits were conducted at go-forward stores, two were at Wave 2 closing stores, and two were at Wave 3 closing stores. The field visits, many of which occurred announced, included observation of general store conditions, store location, local competition, inventory levels, seasonality of inventory, presentation, signage, and price points.

Inventory analyses rely in large part on information supplied by the Company to Tiger. The accuracy of the Company-supplied information was assumed and utilized throughout the report without independent verification or audit. Tiger makes no representation or warranty as to the completeness of information supplied by the Company and shall have no liability for any expressed or implied representations contained herein. Estimates in this analysis are based on the inventory levels and mix as of December 1, 2018, as well as the inventory and store conditions observed during store visits. If there is any material change in merchandise mix or store conditions, results would vary.

**Nature of Engagement | Inventory Appraisal****TIGER****Tiger's engagement did not include the following actions:**

- 1) Taking or observing a physical inventory
- 2) Reviewing Company insurance coverage
- 3) Determining ownership of inventory
- 4) Reviewing inventory for any liens or encumbrances
- 5) A review of store leases

All inventory and estimated recovery values for the inventory to be included in the retail GOB sales (see Exhibit A-1) have been provided by inventory grouping (i.e. On-Hand Go-Forward, In-Transit Go-Forward, Wave 2 Inventory, Wave 3 Inventory) and further separated by business segment, or banner (i.e. Kmart, Sears Full Line Stores, Sears Auto Centers). For the inventory classifications to be sold on a wholesale basis, inventory information and recoveries are shown by specific category (see Exhibit B-6).

**Appraisal Summary****On-Hand Go-Forward Inventory**

Based upon its review and analysis, Tiger has projected a blended net liquidation value after all expenses for eligible on-hand inventory that would be sold through go-forward stores and on a wholesale basis of 80.9% of cost as of January 5, 2019. The following table compares Tiger's updated NOLVs for the month of January to the NOLVs presented for the month of January in Tiger's previous appraisal. Tiger notes that the updated NOLVs shown in the following table apply only to on-hand inventory that would be sold through go-forward stores and on a wholesale basis.

Sears Holdings Corporation (Exhibit A-1)								
On-Hand Go-Forward Inventory								
Consolidated Net Liquidation Value Comparison								
Projected for January 5, 2019 vs. November 3, 2018 Appraisal (Jan Rollforward)								
			(\$ in millions)					
Classification	Projected for January 5, 2019			As of November 3, 2018 (Jan Rollforward)			Change	
	Cost \$	Blended Net Rec.	% of Cost	Cost \$	Blended Net Rec.	% of Cost	Cost \$	Blended Net Rec.
<b>GOB Inventory</b>								
Kmart Stores	\$510.1	\$425.9	83.5%	\$532.1	\$444.3	83.5%	(\$22.0)	(\$18.4)
Sears Full Line Stores	\$775.8	\$744.1	95.9%	\$791.0	\$758.6	95.9%	(\$15.2)	(\$14.6)
Sears Auto Centers	\$41.0	\$16.7	40.7%	\$39.4	\$16.0	40.7%	\$1.6	\$0.7
<b>Subtotal - GOB Inventory</b>	<b>\$1,327.0</b>	<b>\$1,186.6</b>	<b>89.4%</b>	<b>\$1,362.5</b>	<b>\$1,218.9</b>	<b>89.5%</b>	<b>(\$35.5)</b>	<b>(\$32.3)</b>
<b>Non-Direct Sale Expenses</b>	<b>N/A</b>	<b>(\$63.4)</b>	<b>(4.4%)</b>	<b>N/A</b>	<b>(\$63.3)</b>	<b>(4.3%)</b>	<b>N/A</b>	<b>(\$0.0)</b>
<b>Wholesale</b>	<b>\$110.9</b>	<b>\$39.3</b>	<b>35.5%</b>	<b>\$100.5</b>	<b>\$35.5</b>	<b>35.3%</b>	<b>\$10.4</b>	<b>\$3.8</b>
<b>Total</b>	<b>\$1,437.8</b>	<b>\$1,162.6</b>	<b>80.9%</b>	<b>\$1,462.9</b>	<b>\$1,191.1</b>	<b>81.4%</b>	<b>(\$25.1)</b>	<b>(\$28.5)</b>

**NOLV Comparisons**

**Store Inventory** – Tiger's assumptions regarding the sale of on-hand inventory through go-forward Kmart, Sears Full Line, and Sears Auto Center stores did not change since the previous appraisal; as such, there were no significant changes to the NOLVs on cost for on-hand inventory that would be sold through go-forward Kmart, Sears Full Line, and Sears Auto Center stores as compared to the January rollforward provided in the previous appraisal.

**Nature of Engagement | Inventory Appraisal****TIGER**

**Wholesale Inventory** – The NOLV on cost for inventory that would be sold on a wholesale basis during a liquidation increased by 0.1 percentage point compared to the January rollforward provided in the previous appraisal. Since Tiger's previous analysis, return-to-vendor inventory, which is a lower-recovering category, decreased as a proportion of wholesale inventory at cost. This shift in the inventory mix caused the total GOLV at cost for wholesale inventory to increase compared to Tiger's prior analysis.

**Total On-Hand Go-Forward Inventory** – The NOLV on cost for all eligible on-hand go-forward inventory decreased by 0.6 percentage point compared to the January rollforward provided in the prior appraisal. Compared to projections provided by the Company in the previous appraisal, Kmart and Sears Full Line retail inventory decreased as a proportion of projected inventory at cost, while the proportion of wholesale inventory – which Tiger has determined would achieve lower recovery values than retail inventory in a liquidation – increased. The shift in the go-forward inventory mix negatively impacted the NOLV on a percentage-to-cost basis.

**12-Month Liquidation Analysis**

At the Lender's request, Tiger has developed a 12-month liquidation analysis for eligible on-hand inventory that would be sold through go-forward stores and eligible on-hand inventory that would be sold on a wholesale basis to illustrate the effect of changing inventory levels and the resulting variable expenses on estimated net liquidation values by month (Exhibit A-3a). Based upon Company-provided monthly inventory projections, blended net recovery values for on-hand GOB retail inventory and wholesale inventory were forecast for sales commencing at the beginning of each of the 12 months from January 2019 through December 2019.

Using the Company-provided monthly inventories, recovery values in Tiger's 12-month liquidation model are based on the assumption that the Company's inventory mix and mark-ups remain consistent with the levels reported as of December 1, 2018, and that go-forward store counts will be in line with Company-provided projections. Any changes to the inventory levels, product mix, or mark-up would have a material effect on the projected recovery values.

In the previous appraisal based on detailed inventory as of November 3, 2018, Tiger did not provide NOLVs for the months of March through November; the projected NOLV changes summarized in the table below are in comparison to the most recent NOLV Tiger provided for the respective month.

As shown in the table below, NOLVs decrease significantly from March 2019 through October 2019. The Company's projected eligible inventory for these months is lower than the projections previously provided; while the significant decreases in eligible inventory reduced non-direct liquidation expenses on a dollar basis, they resulted in lower efficiencies on expenses, which caused liquidation expenses to increase on a percentage-to-cost basis. Additionally, the Company projects Kmart inventory to increase as a proportion of eligible go-forward inventory at cost as compared to its previous projections in many of these months, contributing to the NOLV declines on a percentage-to-cost basis.

Sears Holdings Corporation Projected 12 Month Liquidation Analysis On-Hand Go-Forward Inventory Blended Net Recovery on Cost Projected Forward From January 5, 2019											
Beginning Month	Previous Appraisal		Current Appraisal			Previous Appraisal			Change		
	Inventory Date	Issue Date	Inventory at Cost	Blended Net Recovery	% of Cost	Inventory at Cost	Blended Net Recovery	% of Cost	Inventory at Cost	Blended Net Recovery	% of Cost
January 2019	11/3/2018	12/14/2018	\$1,437,846	\$1,152,568	80.9%	\$1,462,937	\$1,191,108	81.4%	(\$25,091)	(\$28,539)	(0.5%)
February	11/3/2018	12/14/2018	1,442,192	1,186,468	82.3%	1,505,021	1,249,429	83.0%	(62,829)	(62,961)	(0.7%)
March	7/7/2018	9/28/2018	1,405,443	1,149,375	81.8%	2,311,154	1,945,127	84.2%	(905,711)	(795,751)	(2.4%)
April	10/28/2017	12/22/2017	1,376,371	1,126,211	81.8%	2,883,566	2,479,795	86.0%	(1,507,195)	(1,353,584)	(4.2%)
May	10/28/2017	12/22/2017	1,412,178	1,147,947	81.3%	2,888,383	2,471,987	85.6%	(1,476,205)	(1,324,041)	(4.3%)
June	3/3/2018	6/7/2018	1,366,493	1,108,620	81.1%	2,652,428	2,254,513	85.0%	(1,285,935)	(1,145,893)	(3.9%)
July	3/3/2018	6/7/2018	1,318,165	1,071,897	81.3%	2,596,622	2,216,734	85.4%	(1,278,457)	(1,144,837)	(4.1%)
August	3/3/2018	6/7/2018	1,333,579	1,098,285	82.4%	2,589,802	2,234,643	86.3%	(1,256,223)	(1,136,359)	(3.9%)
September	3/3/2018	6/7/2018	1,439,319	1,203,513	83.6%	2,696,759	2,353,699	87.3%	(1,257,440)	(1,150,186)	(3.7%)
October	7/7/2018	9/28/2018	1,600,275	1,354,947	85.3%	2,480,370	2,199,292	88.7%	(880,095)	(834,345)	(3.4%)
November	10/6/2018	11/16/2018	1,711,365	1,454,207	85.6%	1,738,925	1,481,181	85.2%	(27,560)	(16,974)	0.4%
December 2019	11/3/2018	12/14/2018	1,687,445	1,441,192	85.4%	1,635,106	1,395,566	85.4%	52,339	45,626	0.1%

**Nature of Engagement | Inventory Appraisal****In-Transit Inventory**

The Company reported \$60.2 million at cost of inventory in transit from vendors as of December 1, 2018. Management stated that it typically takes between 30 and 45 days for in-transit merchandise to arrive at the Company's facilities. Tiger has assumed that the in-transit merchandise would arrive after the start of the sale event, and upon its arrival, would be sold through go-forward stores. Tiger cautions that if any of the in-transit inventory did not arrive in time to be sold in the liquidation, recovery values would be negatively impacted.

Management stated that within its perpetual reports, the Company reports all in-transit Kmart inventory at first cost, which includes only the invoice cost from vendors. A portion of in-transit Sears Full Line inventory is also reported at first cost, while a portion is reported at landed cost, which includes the invoice cost from vendors and estimated inbound freight and duty costs. Management stated that the Company typically pays for landing costs after the in-transit items are received at port, with Customs, Insurance, and Freight (CIF) costs reported by the Company as approximately 16% of the first cost, on average. In its analysis, Tiger budgeted for the costs associated with receiving in-transit inventory.

Tiger has valued in-transit inventory based on the expected timeline of its arrival as stated by management. Because in-transit inventory would be subject to the prevailing discount at the time of arrival, NOLVs for in-transit inventory would be lower than those for on-hand go-forward inventory.

In addition, as noted above, additional expenses would be incurred in order to receive the in-transit inventory; due to the addition of landing costs, liquidation expenses associated with in-transit inventory are higher than those for on-hand inventory, contributing to the lower NOLVs for in-transit goods.

The following table summarizes Tiger's projected NOLVs for in-transit inventory for each of the 12 months ending December 2019.

Sears Holdings Corporation In-Transit Inventory Blended Net Recovery on Cost (\$ in 000s)			
Beginning Month	Inventory at Cost	Blended Net Recovery	% of Cost
January 2019	\$55,150	\$28,432	51.6%
February	68,210	35,992	52.8%
March	81,239	42,831	52.7%
April	86,417	45,318	52.4%
May	64,714	34,019	52.6%
June	86,028	45,192	52.5%
July	118,304	62,482	52.8%
August	139,152	75,086	54.0%
September	154,482	85,210	55.2%
October	126,104	70,383	55.8%
November	108,414	60,032	55.4%
December 2019	80,875	44,342	54.8%

**Nature of Engagement | Inventory Appraisal****TIGER****Wave 2 and Wave 3 Closing Stores**

The group of Wave 2 closing stores consists of 11 Kmart stores and 29 Sears Full Line stores. Wave 2 store closing events began on November 16, 2018, and the Company projects the events to last through January 20, 2019. The group of Wave 3 closing stores consists of 37 Kmart stores and 43 Sears Full Line stores. Wave 3 closing events began on January 3, 2019 and are projected to last through March 24, 2019.

For Wave 2 and Wave 3 closing stores, Tiger provided NOLVs for each week of the scheduled store closing events; each weekly NOLV represents Tiger's projected net recovery value for a sale of inventory commencing at the start of that week and lasting through the end of the projected sale term.

At its store closing events, the Company is offering progressing discounts and using highly promotional signage advertising available discounts. Tiger has assumed that the most desirable products would be purchased early in the store closing sales, with the proportion of slower-moving items – which would require greater discounts than faster-turning items – increasing as store closing events progress. Due to the progressive discounting and early sell-through of the most desirable products at closing stores, Tiger's projected NOLVs for Wave 2 and Wave 3 closing stores decline as the Company's store closing events progress.

***NOLV Comparison***

Tiger's assumptions regarding the sale of Wave 2 closing store inventory did not change since the prior appraisal based on detailed inventory as of November 3, 2018; as such, there were no significant changes to the NOLVs on cost for inventory that would be sold through Wave 2 stores compared to the January rollforward provided in the prior report.

The following tables summarize Tiger's projected rollforward NOLVs for sales at Wave 2 and Wave 3 closing stores.

Sears Holdings Corporation Store Closing Summary Wave 2				
Blended Net Recovery on Cost (\$ in 000s)				
Week	Date Range	Inventory at Cost	Blended Net Recovery	% of Cost
Week 8	01/05 - 01/11	\$31,709	\$9,356	29.5%
Week 9	01/12 - 01/18	20,836	4,097	19.7%
Week 10	01/19 - 01/20	8,866	647	7.3%

Sears Holdings Corporation Store Closing Summary Wave 3				
Blended Net Recovery on Cost (\$ in 000s)				
Week	Date Range	Inventory at Cost	Blended Net Recovery	% of Cost
Week 1	01/05 - 01/11	\$134,359	\$118,875	88.5%
Week 2	01/12 - 01/18	117,137	97,827	83.5%
Week 3	01/19 - 01/25	101,670	80,415	79.1%
Week 4	01/26 - 02/01	87,194	64,513	74.0%
Week 5	02/02 - 02/08	73,547	49,894	67.8%
Week 6	02/09 - 02/15	61,554	38,002	61.7%
Week 7	02/16 - 02/22	51,087	28,316	55.4%
Week 8	02/23 - 03/01	41,662	20,619	49.5%
Week 9	03/02 - 03/08	33,064	14,378	43.5%
Week 10	03/09 - 03/15	25,112	9,016	35.9%
Week 11	03/16 - 03/22	16,505	4,158	25.2%
Week 12	03/23 - 03/24	5,532	629	11.4%

**Nature of Engagement | Inventory Appraisal**

**TIGER**

**Total Company**

Based on Tiger's projected NOLVs for on-hand go-forward inventory, in-transit inventory, and Wave 2 and Wave 3 closing store inventory, the blended NOLV projected for a liquidation sale of all eligible inventory commencing on January 5, 2019 is 79.5% of cost. The following table compares Tiger's updated NOLVs for the month of January to the total NOLV presented for the month of January in Tiger's previous appraisal, which was based on detailed inventory as of November 3, 2018.

Sears Holdings Corporation (Exhibit A-1)								
Total Company								
Consolidated Net Liquidation Value Comparison								
Projected for January 5, 2019 vs. November 3, 2018 Appraisal (Jan Rollforward) (\$ in millions)								
Classification	Projected for January 5, 2019			As of November 3, 2018 (Jan Rollforward)			Change	
	Cost \$	Blended Net Rec.	% of Cost	Cost \$	Blended Net Rec.	% of Cost	Cost \$	Blended Net Rec.
<b>GOB Inventory</b>								
Kmart Stores	\$609.0	\$493.5	81.0%	\$546.5	\$448.2	82.0%	\$62.5	\$45.3
Sears Full Line Stores	\$898.2	\$836.7	93.2%	\$808.2	\$764.2	94.5%	\$89.9	\$72.6
Sears Auto Centers	\$41.0	\$16.7	40.7%	\$39.4	\$16.0	40.7%	\$1.6	\$0.7
<b>Subtotal - GOB Inventory</b>	<b>\$1,548.2</b>	<b>\$1,346.9</b>	<b>87.0%</b>	<b>\$1,394.1</b>	<b>\$1,228.4</b>	<b>88.1%</b>	<b>\$154.0</b>	<b>\$118.5</b>
Non-Direct Sale Expenses	N/A	(\$67.0)	(4.0%)	N/A	(\$63.4)	(4.2%)	N/A	(\$3.6)
Wholesale	\$110.9	\$39.3	35.5%	\$100.5	\$35.5	35.3%	\$10.4	\$3.8
<b>Total</b>	<b>\$1,659.1</b>	<b>\$1,319.2</b>	<b>79.5%</b>	<b>\$1,494.6</b>	<b>\$1,200.5</b>	<b>80.3%</b>	<b>\$164.5</b>	<b>\$118.8</b>
								(0.8%)

***Analysis and Assumptions*** | Inventory Appraisal**TIGER****Analysis and Assumptions**

For the purpose of determining estimated recovery values for eligible inventory available for sale, Tiger reduced the projected stock ledger inventory of \$1.79 billion at cost by \$129.7 million to account for various categories such as unshipped merchandise, consignment inventory, and certain accounting adjustments (see Exhibit F for full details).

The remaining \$1.66 billion balance, which is available for liquidation, has been divided into two categories for the purpose of determining net liquidation values (see Exhibit F):

	<u>Cost</u>
Retail Store GOB Inventory	<u>\$1.55 billion</u>
Inventory To Be Sold On a Wholesale Basis	<u>\$110.9 million</u>

**On-Hand Go-Forward, In-Transit, Wave 2, and Wave 3 Inventory**

For the purpose of determining recovery values for the retail portion of the Company's inventory, this analysis assumes and is based on the ability to conduct traditional GOB sales to the general public through the Company's retail locations.

The \$1.55 billion at cost of projected inventory to be included in retail store GOB sales has an estimated retail value of approximately \$3.81 billion, based on the cost-to-retail relationship as of December 1, 2018, as follows (see Exhibit B-2):

Projected for January 5, 2019 (\$ in millions)		
	<u>Cost</u>	<u>Retail</u>
Go-Forward Stores		
Kmart Stores	\$510.1	\$1,142.2
Sears Banners	\$816.8	\$2,116.0
In-Transit Inventory		
Kmart Stores	\$22.5	\$57.9
Sears Banners	\$32.6	\$89.5
Wave 2 Closing Stores		
Kmart Stores	\$14.4	\$32.3
Sears Banners	\$17.3	\$45.5
Wave 3 Closing Stores		
Kmart Stores	\$61.9	\$138.6
Sears Banners	\$72.5	\$190.5
<b>Total</b>	<b><u>\$1,548.2</u></b>	<b><u>\$3,812.6</u></b>

Retailers often track certain merchandise departments in their records on a cost-only basis. All Sears banner distribution center inventory, as well as Sears Auto Centers inventory, is carried in the stock ledger at cost only. The Company provided Tiger with a computed retail value for distribution center and Auto Centers inventory. Kmart distribution center inventory is carried in the stock ledger at both cost and retail.

At Kmart, departments tracked on a cost-only basis include Tobacco and Alcohol, which are to be included in the retail store GOB sale. Using Company-supplied sales and margin information, Tiger computed a projected retail value of \$1.3 million for these categories (see Exhibit A-2a).

***Analysis and Assumptions | Inventory Appraisal***

It is assumed that all first-quality distribution center inventory would be distributed to the retail stores for inclusion in the retail store GOB sales. For presentation purposes, all Sears banners' distribution center inventory, with the exception of Tires, is included in the Sears Full Line stores. Tires have been included in Sears Auto Center locations (Descriptions of individual banners are provided in the Company Overview section of this report).

Tiger assumes all Company catalog and Internet operations (Sears.com, Kmart.com, etc.) would be discontinued in the event of a liquidation, and the related inventory would be distributed to retail stores.

In order to more closely reflect actual historical selling prices, Tiger reduced the projected beginning retail inventory of \$3.81 billion by \$854.4 million, or 22.4%, to reflect unknown damages, excess shrink, and a pricing adjustment. The estimated retail markdown of \$854.4 million is broken down as follows: \$260.7 million for go-forward Kmart stores; \$456.6 million for go-forward Sears Full Line stores; \$12.1 million for Sears Auto Centers; \$13.2 million for in-transit Kmart inventory; \$20.1 million for in-transit Sears Full Line inventory; \$7.4 million for Wave 2 Kmart stores; \$10.2 million for Wave 2 Sears Full Line stores; \$31.6 million for Wave 3 Kmart stores; and \$42.6 million for Wave 3 Sears Full Line stores (see Exhibit B-2). As a percentage of eligible GOB inventory at retail, the total markdown has been decreased by 1.6 percentage points since Tiger's last appraisal.

The resulting adjusted eligible inventory available to be sold in the retail GOB sales is as follows:

Adjusted Eligible Inventory Projected for January 5, 2019 (\$ in millions)				
	Cost	Retail	Retail Markdown	Adjusted Retail
<b><u>On-Hand Go-Forward Inv.</u></b>				
Kmart	\$510.1	\$1,142.2	\$260.7	\$881.5
Sears Full Line	\$775.8	\$2,039.2	\$456.6	\$1,582.5
Sears Auto Centers	\$41.0	\$76.9	\$12.1	\$64.7
<b>Total: On-Hand Go-Forward</b>	<b>\$1,327.0</b>	<b>\$3,258.2</b>	<b>\$729.4</b>	<b>\$2,528.8</b>
<b><u>In-Transit Inventory</u></b>				
Kmart	\$22.5	\$57.9	\$13.2	\$44.8
Sears Full Line	\$32.6	\$89.5	\$20.1	\$69.5
<b>Total: In-Transit</b>	<b>\$55.2</b>	<b>\$147.5</b>	<b>\$33.2</b>	<b>\$114.3</b>
<b><u>Wave 2 Inventory</u></b>				
Kmart	\$14.4	\$32.3	\$7.4	\$24.9
Sears Full Line	\$17.3	\$45.5	\$10.2	\$35.3
<b>Total: Wave 2</b>	<b>\$31.7</b>	<b>\$77.7</b>	<b>\$17.5</b>	<b>\$60.2</b>
<b><u>Wave 3 Inventory</u></b>				
Kmart	\$61.9	\$138.6	\$31.6	\$107.0
Sears Full Line	\$72.5	\$190.5	\$42.6	\$147.9
<b>Total: Wave 3</b>	<b>\$134.4</b>	<b>\$329.1</b>	<b>\$74.2</b>	<b>\$254.9</b>
<b>Total</b>	<b>\$1,548.2</b>	<b>\$3,812.6</b>	<b>\$854.4</b>	<b>\$2,958.2</b>

***Analysis and Assumptions*** | Inventory Appraisal**TIGER****Sale Period**

Tiger has reviewed each retail business segment, or banner, and independently estimated sale periods, recoveries, and expenses for each. The estimated sale terms for the retail store GOB sales vary by store group and banner and are based, in part, on the inventory mix and merchandise levels observed during store visits as well as on historical sales.

The chart below compares the projected sale term for a GOB sale of inventory reported as of the appraisal date through go-forward stores to the January rollforward provided in the previous analysis, which was based on detailed inventory as of November 3, 2018. The sale terms for go-forward Kmart and Sears Full Line Stores increased; at the Lender's request, Tiger included in-transit inventory in its analysis. Tiger has assumed that the in-transit inventory would be sold through go-forward Kmart and Sears Full Line Stores; a longer sale would be needed to sell through the greater amount of inventory being liquidated through the stores. The sale term for Sears Auto Centers also increased, due primarily to increases in per-store inventory levels as compared to projections provided in the previous appraisal.

Estimated Sale Term by Banner Go-Forward Stores Projected for Jan 5, 2019 vs. Nov 3, 2018 Appraisal (Jan Rollforward)			
	Current Analysis	Previous Analysis	Change
Kmart	10.0 Weeks	9.0 Weeks	1.0 Weeks
Sears Full Line	14.5 Weeks	12.5 Weeks	2.0 Weeks
Auto Centers	9.4 Weeks	7.2 Weeks	2.2 Weeks

The sale term for Wave 2 closing stores, which are scheduled to close on January 20, 2019, is three weeks, and the sale term for Wave 3 closing stores, which are scheduled to close on March 24, 2019, is 12 weeks.

This review assumes that within each store grouping, all locations would remain open throughout the entire sale term projected for their respective banners. However, it is likely that some locations would close before the forecasted end dates, whereas others would remain open beyond the estimated sale terms. The projected sale terms provided above, therefore, represent the average period of time a given store is likely to remain open during a GOB event.

**Sale Expenses**

Expenses for the retail GOB inventory sale included in this analysis consist of two categories:

- Direct Sale Expenses – Those expenses directly related to the store locations.
- Non-Direct Sale Expenses – Royalty payments, base liquidation fees, and corporate overhead required to support the retail store GOB sales.

*NOTE: Both Direct and Non-Direct Sale Expenses are reflected for the GOB sale period only.*

Expenses of the sale include a provision in the Direct Sale Expenses for operating the distribution centers in order to move the warehouse inventory to the retail locations for inclusion in the retail store GOBs. The warehousing costs for all Sears retail business segments are reflected in the Full Line Stores analysis (see Exhibit A-2b).

**Gift Certificates/Cash Cards (\$34.1 million as of December 1, 2018)**

Tiger was asked by the Lender not to include gift certificates/cash card redemptions as a cost of liquidation, since these are reflected as a reserve in the borrowing base. Typically, an estimate for gift certificate/cash card redemptions is included as a direct sale expense. However, since the Lender has already reserved for this liability, it was excluded from this analysis to prevent the Company from being charged twice. As of the appraisal date, the gift certificate/cash card liability totaled \$34.1 million.

## ***Analysis and Assumptions | Inventory Appraisal***

**TIGER**

### **Shop Your Way Rewards Program**

Customers can sign up for the Company's free Shop Your Way Rewards Program, which has been in operation since the end of fiscal 2009. Participants earn 10 points for every \$1.00 spent on qualifying purchases at select Sears Full Line, Sears Auto Centers, and Kmart retail locations. Additional points can also be earned on qualifying home repairs and improvement services. In addition, Sears Hometown & Outlet Stores, Inc. (SHO) and Lands' End retail locations participate in the Shop Your Way program.

For every 1,000 points accumulated, members receive a \$1.00 deposit into their accounts that is redeemable on future purchases at any of the participating businesses. Points are valid for one year and are tracked using membership cards presented at the point of purchase.

Tiger has assumed that during a GOB event, the Company's customers would not be able to redeem credits earned through the Shop Your Way program, and Sears would not issue new points. Tiger took the cancellation of the rewards program within Company-operated stores into consideration when developing recovery values for this analysis.

### **Royalties**

As of the appraisal date, the Company had agreements with several licensors, including Adam Levine, Bongo, Cannon, Everlast, Jaclyn Smith, Joe Boxer, Outdoor Life, and Route 66.

Most royalty agreements stipulate that payments are to be based on net retail sales, though several agreements require payments based on the cost value of purchased merchandise. For this review, Tiger has calculated total royalty payments of approximately \$4.9 million based upon the sales of inventory for these licenses. Royalty payments are projected to total \$4.2 million for on-hand go-forward inventory, \$163 thousand for in-transit inventory, \$37 thousand for Wave 2 closing store inventory, and \$427 thousand for Wave 3 closing store inventory (see Exhibit A-2). Note: During any GOB sale, royalty payments due will be determined by the levels of on-hand licensed inventory at the actual time of a liquidation and the sales value of the inventory at the discounted GOB selling prices.

### **Retail Store GOB Net Recovery**

Based upon all the assumptions discussed, Tiger has estimated the total blended net recovery value for the combined adjusted retail GOB inventory of \$1.55 billion at cost prior to non-direct sale expenses. The net recovery value for go-forward stores is \$1.19 billion, the net recovery for in-transit inventory is \$31.2 million, the net recovery value for Wave 2 closing stores is \$9.4 million, and the net recovery value for Wave 3 closing stores is \$119.7 million (see Exhibit A-1):

	Projected for January 5, 2019 vs. November 3, 2018 Appraisal (Jan Rollforward)								
	Projected for January 5, 2019			As of November 3, 2018 (Jan Rollforward)			Change		
	Available Inv. at Cost (\$)	Blended Net Recovery (\$)	As a % of Available Inv. at cost	Available Inv. at Cost (\$)	Blended Net Recovery (\$)	As a % of Available Inv. at cost	Available Inv. at Cost (\$)	Blended Net Recovery (\$)	As a % of Available Inv. at cost
On-Hand Go-Forward Inventory	\$1,326,950	\$1,186,634	89.4%	\$1,362,465	\$1,218,940	89.5%	(\$35,514)	(\$32,306)	[0.0%]
In-Transit Go-Forward Inventory	\$55,150	\$31,165	56.5%	N/A	N/A	N/A	N/A	N/A	N/A
Wave 2 Inventory	31,709	9,441	29.8%	31,659	9,431	29.8%	50	10	(0.0%)
Wave 3 Inventory	134,359	119,674	89.1%	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$1,548,169	\$1,346,914	87.0%	\$1,394,124	\$1,228,371	88.1%	\$154,044	\$118,542	(1.1%)

## Analysis and Assumptions | Inventory Appraisal

TIGER

### Inventory To Be Sold On A Wholesale Basis

Several categories of Sears Holdings inventory, totaling \$110.9 million, have not been included in the retail store GOB sales, as these categories are better sold on a wholesale basis (details are reflected on Exhibit F). Inventory categories that would be sold on a wholesale basis include Prescription Pharmacy, Repair Parts, RTV/Damages, Sears Home Improvement, and others.

The recovery estimates for the classifications of inventory to be sold on a wholesale basis (see Exhibit B-6) are shown net of the associated expenses. Tiger's projected net recovery value for the wholesale portion of the Sears Holdings inventory as of January 5, 2019 is as follows:

Blended Net Liquidation Value Wholesale Inventory Projected for January 5, 2019			
	(\$ in 000s)		
	Available Inv. at Cost (\$)	Blended Net Recovery (\$)	As a % of Available Inv. at cost
Total	\$110,896	\$39,320	35.5%

Included in the inventory to be sold on a wholesale basis is Prescription Pharmacy Inventory, which was projected to total \$24.8 million at cost on January 5, 2019 (Exhibit F). The recovery values for Prescription Pharmacy Inventory reflected in this analysis are for the inventory only and do not include the value of the script lists. A discussion of prescription lists is provided below.

### Prescription Lists

#### Overview

It is typical in liquidation scenarios for the customer prescription lists ("scripts") and pharmacy inventory at each location to be sold as a single collective package prior to the start of a GOB sale. The purchase of scripts and prescription inventory is typically used by the acquiring entity as a means of increasing market share within the pharmacy industry. After a company purchases a script list, customers receive notification that their pharmacy files have been transferred to a new location in the area. The lists and prescription inventory should be sold prior to any announcement regarding any store closings or GOB sales in order to prevent nearby competitors from luring away script customers and diminishing the value of the lists.

#### Methodology

Tiger has determined that recovery values for script lists and pharmacy inventory would be maximized by selling these items as single packages by store prior to the start of a GOB event. Company management, a consultant, or a trustee would be responsible for negotiating the sale of pharmacy inventory and scripts to competitors.

When determining whether or not to purchase a pharmacy's scripts, potential buyers typically consider the weekly margin dollars generated from prescriptions filled as a key factor. As such, the higher a company's average margin dollars are, the more desirable its scripts are. Tiger took the Company's weekly margin dollars by pharmacy location into consideration when projecting recovery values for Sears Holdings' scripts.

Tiger also examined the number of competitors located within a five-mile radius of each Company-operated location. The farther away a potential buyer is located from a Company-operated pharmacy, the more likely existing pharmacy customers would be to switch to a closer supplier in the event of a sale, which could make the potential buyer less willing to purchase the Company's scripts. Additionally, the more competitors there are located within close proximity to a single store, the more competitive the bidding process for the store's scripts is likely to be, which could lead to a higher ultimate purchase price as compared to a location that has a more limited number of nearby competitors.

**Analysis and Assumptions | Inventory Appraisal**



Tiger notes that the achievable value of pharmacy inventory and script lists may also be impacted by various other factors, such as:

- Consolidation of the drugstore industry
- Mobility of customers in the area
- Desire of the acquiring entity to enter the market

The recovery values provided in this report for the Company's script lists are supported by prior sales in the pharmacy marketplace and current market conditions throughout the U.S.

**Net Value**

After associated operating costs and other fees have been deducted, the net value per pharmacy script is \$10.08, leading to a net script valuation of \$36.7 million.

Rx Valuation Summary	
As of December 1, 2018	
Pharmacies	89
Yearly Scripts Filled	3,640,038
Yearly Scripts Per Location	40,899
Gross Margin	20.0%
Avg. Price Per Script	\$54.44
Net Valuation / Script	\$10.08
Rx Script Valuation	\$36,690,000

Tiger developed script recovery values with the assumption that there would be sufficient time prior to the start of a GOB sale to sell the Company's scripts and pharmacy inventory. Tiger notes that with insufficient time to target and market the sale of scripts before a GOB event, recovery values would be negatively impacted on a store-by-store basis.

Tiger provided a net value for prescription inventory as part of its analysis of inventory that would be sold on a wholesale basis in a liquidation. Tiger's projected net recovery for prescription inventory is 90.0% of cost.

## Potential Additional Recoveries | Inventory Appraisal

TIGER

### Potential Additional Recoveries

In addition to the net recovery values for on-hand retail store GOB inventory, in-transit inventory, inventory sold on a wholesale basis, and prescription lists, Tiger has identified several areas of potential additional recoveries not reflected in this analysis that would be realized in a GOB scenario:

#### Lay-away Inventory/Lay-away Receivables

Sears and Kmart stores offer customers a lay-away program in which the inventory is removed from the stock ledger when the sale is recorded and a receivable is created for the outstanding balance. As of December 1, 2018, lay-away inventory was approximately \$48.1 million at cost. The outstanding lay-away receivable was approximately \$17.4 million.

Additional recoveries during a GOB sale would be realized either through the collection of the outstanding receivable after providing the merchandise to the customer, or for the sale of cancelled lay-away inventory, which would be returned to stock and included in the retail store GOB sale. To the extent that the sales of any of this inventory are not completed, however, the Company would face a liability associated with the corresponding customer deposits.

#### Consignment Inventory

Tiger's analysis has excluded consignment inventory from the retail GOB sale, as this inventory is not owned by the Company. However, it is common in retail GOB sales for consignors to ask the company to include consignment goods on the consignors' behalf, for which the retailer receives a commission. Any earned commissions would represent additional recoveries. Projected consignment inventory for January 5, 2019 is approximately \$2.2 million at cost, all of which is for the Kmart banner (see Exhibit F).

#### Unshipped Merchandise

The Company projected unshipped goods – which consist of inventory that has not yet been shipped to customers – within Sears banners to total approximately \$66.0 million at cost as of January 5, 2019. Unshipped

Merchandise is part of the \$129.7 million excluded from the beginning stock ledger inventory of \$1.79 billion at cost (see Exhibit F).

Unshipped merchandise consists primarily of big-ticket items and have been excluded from the eligible beginning retail store GOB inventory, as they are fully paid for and subject to shipment to customers. In the event that merchandise is not shipped due to a cancellation by the customer prior to a GOB sale, it would be included in the liquidation and would represent additional recoveries. However, to the extent that any of this inventory is not shipped, there would be a liability associated with the corresponding customer payments.

#### Warranty Revenue

One significant form of additional income at Sears is Protection Agreements (Extended Warranty Coverage). According to management, the sale of Sears Holdings' Protection Agreements was suspended in 33 states, Puerto Rico, and Guam after Sears Holdings' bankruptcy filing. Management stated that in place of Sears Holdings' Protection Agreements, the Company is instead offering extended warranty plans backed by third-party firm Assurant. The Assurant plans were being offered in 45 states and Puerto Rico at the time of Tiger's appraisal, while in the remaining five states and Guam, the Company was not selling extended warranties.

Tiger has assumed that third-party extended warranty plans would continue to be offered in a liquidation. Tiger did not include the potential revenue from the sale of extended warranties in its analysis.

#### Other Miscellaneous Income Items

As part of its normal course of business, the Company collects fees and income. These income items include sub-tenant rents, ATM fees, vending machine fees, and paper recycling income. Based upon the 12 months ended fiscal November 2018, these income items aggregated approximately \$127.9 million, or \$10.7 million per month. To the extent that these income items continue during the GOB sale, the Company would realize additional recoveries.

**Potential Additional Recoveries | Inventory Appraisal**

**TIGER**

**Leased Department Income**

The Company has several licensed businesses which operate leased departments in Sears and Kmart retail stores, including Dental Clinics, Optical Centers, Portrait Studios, Tax Service Centers, Car Rentals, Hair Salons, and Driving Schools. It is common for many leased departments to continue operating during a retail GOB sale. To the extent that leased departments do operate, additional recoveries to the estate in the form of rent and commission payments would be earned. Within all stores, leased departments generated licensed business income of approximately \$44.3 million for the 12 months ended fiscal November 2018, or approximately \$3.7 million per month, according to Company records.

**Auto Center Labor**

Sears offers automotive services including oil changes, tune ups, wheel alignments, battery replacements, and other installations of various auto parts. Revenue from these services totaled approximately \$182.2 million during the 12 months ended November 2018, or approximately \$15.2 million per month. The gross recovery values assigned by Tiger to each inventory class are based on the assumption that these services would continue throughout the sale term. While Tiger has included the labor expenses related to these services in its GOB model, it has not included the service revenue generated.

## Company Overview | Inventory Appraisal

TIGER

### Company Overview

Sears Holdings is one of the nation's largest broadline retailers, with total of 784 retail stores throughout the United States projected for January 5, 2019, including the territories of Guam and Puerto Rico.



The following table summarizes the number of locations within each group of stores by banner as of December 1, 2018:

Store Count By Banner Projected for January 5, 2019				
Banner	Go-Forward	Wave 2 Closings	Wave 3 Closings	Total
Kmart	202	11	37	250
Sears Full Line	223	29	43	295
Sears Auto Centers	201	-	38	239
<b>Total</b>	<b>626</b>	<b>40</b>	<b>118</b>	<b>784</b>

The Company's product mix includes a wide variety of national brands and proprietary labels, including Kenmore, DieHard, Covington, and Canyon River Blues. Company locations compete with national retailers such as Target, Walmart, JC Penney, Kohl's, Lowe's, and The Home Depot.

### Sears, Roebuck and Co.

For the purposes of this analysis, the Sears segment can be classified under two main banners:

#### Go-Forward Full Line Stores

(220 Full Line, three Grand/Essentials)

Full Line Stores carry a wide selection of both hardlines (appliances, electronics, home improvement products, tools, fitness equipment, lawn care needs) and softlines (apparel, footwear, outerwear, fashion and fine jewelry, fragrances, handbags). Most Full Line stores are located within shopping malls, with a small amount operating as freestanding locations. The average Full Line store measures approximately 150,000 square feet.



Exterior of a Sears Full Line store in Massachusetts

A total of three Sears Grand/Essentials stores are included in the Sears Full Line go-forward store count. The Company utilized the Grand/Essentials format to convert freestanding Kmart locations into one-stop, family-oriented concepts that offer the same product categories as Full Lines stores, in addition to more extensive selections of health and beauty products and dry groceries. The average Grand/Essentials location measures approximately 170,000 square feet.

Based on the eligible retail GOB inventory on hand at stores and warehouses as of the appraisal date, the product mix within Sears Full Line Stores was as follows:



#### Sears Auto Centers

Sears Auto Centers typically operate as standalone stores located near shopping malls. Each Sears Auto Center location has multiple garage bays for servicing vehicles and a small sales floor that also serves as the customer waiting area. Products offered at Sears Auto Centers are from major national brands of tires and batteries, including the Company's proprietary DieHard products. *NOTE: Sears Auto Centers are a sub-category within Full Line stores.*

**Company Overview | Inventory Appraisal**

**TIGER**



Exterior of a Sears Auto Center in Massachusetts

Based on the eligible retail GOB inventory on hand at stores and warehouse locations as of the appraisal date, the product mix within Sears Auto Centers was as follows:



#### Kmart Corporation

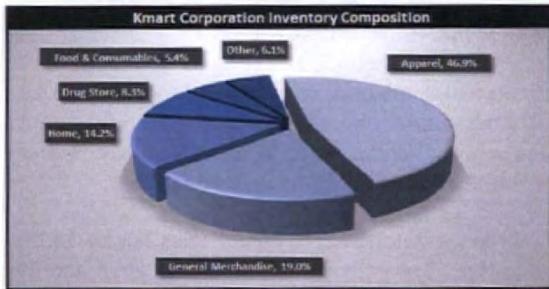
A wholly-owned subsidiary of Sears Holdings Corporation, Kmart operates as a mass merchandising company that offers customers a vast range of national brands and private-label products. Kmart stores are typically located within strip malls or operate as freestanding locations.



Exterior of a Kmart store in New York

Most Kmart locations carry a wide assortment of general merchandise, including hardlines such as hardware, electronics, and home office supplies, as well as apparel and home goods, including lawn and garden care items. The product mix includes a selection of national brands such as Jaclyn Smith and Joe Boxer. In 2011, the Company began offering proprietary Sears product – such as Kenmore-branded merchandise – at Kmart locations. Kmart stores average about 95,000 square feet in size.

Based on the eligible retail GOB inventory on hand at stores and warehouse locations as of the appraisal date, the product mix within Kmart Corporation was as follows:



## Operating Metrics | Inventory Appraisal

TIGER

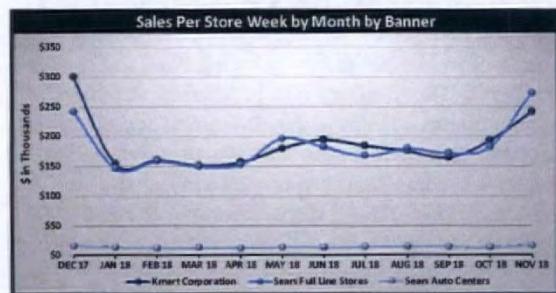
### Operating Metrics

As part of this analysis, the Company provided various inventory and sales data for each store banner for the 12 months ended fiscal November 2018.

Operating metrics by department for Kmart Corporation, Sears Full Line Stores, and Sears Auto Centers are provided in Exhibits C-1a, C-1b, and C-1c, respectively.

### Seasonality

As shown in the graph below, sales volumes are typically highest during the winter holiday selling season, while during the remainder of the year, sales remain relatively flat.



### Comparable Store Sales

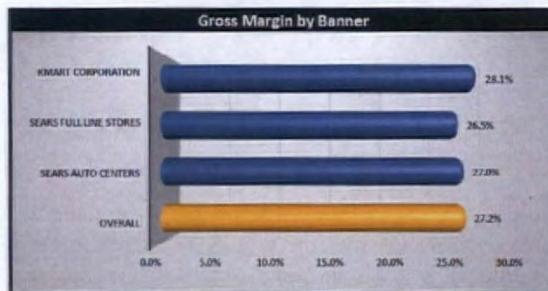
During the 12 months ended November 2018, Kmart Corporation reported comp. sales decreases of 9.4%, including a 4.5% decrease during the most recent three-month period (Exhibits D-1a and D-2a).

At Sears Full Line Stores, comp. sales declined by 12.9% during the same 12-month span. During the most recent three months, comp. sales at Sears Full Line Stores decreased by 10.9% (Exhibits D-1b and D-2b).

Within Sears Auto Centers, comp. sales fell by 13.2% during the 12 months ended November 2018 and by 13.1% during the past three months (Exhibits D-1c and D-2c).

### Gross Margin

Kmart Corporation reported a gross margin of 28.1% on net sales of \$3.77 billion for the 12 months ended November 2018. The margin for the Sears Full Line banner was 26.5% on net sales of \$4.75 billion, while the margin at Sears Auto Centers was 27.0% on net sales of \$268.2 million (Exhibits C-1, C-1a, C-1b, and C-1c).



### Inventory Turnover

During the 12 months ended fiscal November 2018, Kmart Corporation exhibited an average inventory turnover of 2.6, which translates to 140 days' sales. The inventory turnover rate for Sears Full Line Stores was 2.4 times per annum (150 days' sales), while Sears Auto Centers experienced turns of 3.5 (105 days' sales).



Since the previous analysis, the inventory turnover rate for each banner remained relatively flat. Tiger took the Company's current inventory turnover rates into consideration when developing gross recoveries. To the extent that the Company's inventory turnover rate changes, recovery values would be positively or negatively impacted.

## Field Visits | Inventory Appraisal

TIGER

### Field Visits

#### Overview

Tiger's field representatives visited a total of 33 Company-operated stores, including 14 Kmart locations, 11 Sears Full Line stores, and eight Sears Auto Centers. Of the 33 locations visited, 29 were go-forward stores, two were Wave 2 closing stores, and two were Wave 3 closing stores.

#### Merchandising

Company-operated stores stock a wide range of products, including apparel, accessories, footwear, appliances, home furnishings, mattresses, hardware, kitchen items, health and beauty products, food products, and automotive goods, among others.



Men's activewear department at a Sears Full Line store



Aisle of household cleaning products at a Kmart store

The Company's inventory is from a wide selection of national brands, such as Levi's, Maytag, LG, Samsung, Whirlpool, Cannon, Fruit of the Loom, Goodyear, Kodak, Graco, KitchenAid, Wrangler, Dockers, Dr. Scholl's, Michelin, Nike, Reebok, Sketchers, Hamilton Beach, New Balance, Cuisinart, Tide, Seiko, and Timex, among many others. Sears Holdings also offers items from Company-owned labels, such as Kenmore and DieHard.

Some Sears Full Line locations contain Lands' End shop-in-shops, which are typically located near the front of stores. However, at some of the visited locations, Lands' End was in the process of exiting the stores, leaving empty sales floor space.



Empty fixtures that previously held Lands' End merchandise

Consistent with visits performed for Tiger's previous appraisals, field representatives noted that there were still gaps in the tools department at some locations, while other key departments, including apparel and footwear, appeared to be well stocked.



Empty space in the tools department at a Kmart store

## Field Visits | Inventory Appraisal

TIGER

Consistent with previous visits, there were gaps noted in the infants/toddlers hardlines department; for example, there was little to no children's furniture, car seats, strollers, and high chairs.

### Ticketing

Apparel and other softline merchandise is individually ticketed, usually by vendors or at distribution centers. For hardlines, the Company uses individual stickers, shelf labels, peg hook tags, and stand-up signs that employees place on or near display items. Stores typically generate these labels and signs. Product tags typically include the item number, the vendor name, a brief description, the barcode, the retail price, and, if applicable, the size and season codes.

### Discounting

At some Sears stores, stickers containing marked-down prices are affixed to product tags, while at others, employees highlight the barcodes on product tags, using specific colors for each markdown level. Signs are placed in clearance areas to notify customers what price point each color represents.

Consistent with field visits conducted for the previous report, there was little clearance merchandise on Sears Full Line and Kmart sales floors, as a portion of out-of-season, discontinued, and clearance merchandise had been shipped from go-forward stores to closing stores. Field representatives estimated clearance merchandise to account for less than 10% of in-store offerings.

The Company also uses temporary promotions in stores. For example, at the time of Tiger's visits, Sears Full Line stores were running a "Semi-Annual Blowout Event," during which various discounts were available on specific product categories. In addition, Sears Full Line stores were running a "Spend and Get" promotion for Shop Your Way program members, in which members received \$20 in cashback points – which are distributed in installments – for every \$40 spent.



"Blowout Event" signage at a Sears Full Line store

At Kmart stores, the Company was also offering a "Blowout Event," with associated discounts ranging from 20% to 70%. Kmart stores were also holding varying "Spend and Get" promotions for Shop Your Way program members; at some of the visited locations, members received \$15 in cashback points for every \$50 spent, while at others, members received \$10 for every \$45 spent. Additional offers at Kmart stores included 50% off of Christmas merchandise.



Signage promoting discounts on Christmas products at a Kmart store

Promotions at Sears Auto Centers, meanwhile, included buy three DieHard tires, get the fourth tire free. In addition, Shop Your Way members received \$50 in points on purchases over \$399 and \$100 in points on purchases over \$599.

**Field Visits | Inventory Appraisal**

**TIGER**

**Loss Prevention / Inventory Control**

Stores utilize cameras, alarms, and sensor tags for security. Physical inventory counts are completed on an annual basis by a third party, such as RGIS. Cycle counts are typically conducted weekly, and daily case counts are completed in jewelry departments.

**Closing Stores**

During its field visits, Tiger visited four retail locations that were in the midst of store closing events. At closing locations, the Company is using signage with language such as "store closing sale" and "everything must go" in store windows and throughout sales floors.

Discounts being offered at closing stores varied by location. At the Huntington, N.Y. closing Kmart store, discounts being offered at the time of visits ranged from 30% to 90% off of lowest ticketed prices. Bright-colored rack-top signage is being used to highlight discounts available on specific product categories. The Company is also using signs indicating updated price points for specific items at closing stores.



*Example of 20%-off signage used at a closing Kmart store*



*Store closing signage used on the exterior of a Kmart store*

**List of Exhibits | Inventory Appraisal**

**TIGER**

**List of Exhibits**

- A. Total Company: Summary of Blended Net Recovery Values
  - A-1. Total Company: Summary of Blended Net Recovery Values by Store Banner or Inventory Type
  - A-2. Summary of Total Estimated Net Recovery Values On Retail Store GOB Inventory
  - A-2a. Kmart Corporation: Summary of Estimated Net Recovery Values On Retail Store GOB Inventory
  - A-2b. Sears Full Line Stores: Summary of Estimated Net Recovery Values On Retail Store GOB Inventory
  - A-2c. Sears Auto Centers: Summary of Estimated Net Recovery Values On Retail Store GOB Inventory
  - A-3. Total Company: Projected 12-Month Liquidation Analysis
  - A-3a. Go-Forward Inventory: Projected 12-Month Liquidation Analysis
  - A-3b. In-Transit Inventory: Projected 12-Month Liquidation Analysis
  - A-3c. Store Closing Summary: Wave 2
  - A-3d. Store Closing Summary: Wave3
- B. Total Company: Inventory Reconciliation
  - B-1. Total Company: Stock Ledger Inventory at Cost
  - B-2. Total Company: Inventory to be Included in the Retail Store GOB Sale at Cost and Retail
  - B-3a. Kmart Corporation: Inventory to be Included in the Retail Store GOB Sale at Cost and Retail
  - B-3b. Sears Full Line Stores: Inventory to be Included in the Retail Store GOB Sale at Cost and Retail
  - B-3c. Sears Auto Centers: Inventory to be Included in the Retail Store GOB Sale at Cost and Retail
  - B-4. Total Company: Inventory Classifications to be Sold On A Wholesale Basis
  - B-5. Kmart Stores: Summary of Estimated Gross Recovery Values: Tobacco & Alcohol
  - B-6. Estimated Net Recovery On Total Company Inventory Sold On A Wholesale Basis
- C. Total Company: Operating Metrics
  - C-1. Total Company: Operating Metrics
  - C-1a. Kmart Corporation: Operating Metrics
  - C-1b. Sears Full Line Stores: Operating Metrics
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**Exhibits | Inventory Appraisal**

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**Sears Holdings Corporation**

**Total Company**

**Summary of Blended Net Recovery Values**

**Projected for January 5, 2019 vs. November 3, 2018 (January Rollforward)**

**(\$ in 000's)**

	On-Hand Go-Forward Inventory			In-Transit Inventory			Wave 2 Inventory			Wave 3 Inventory			Total Company		
	Cost \$	NOLV \$	% of Cost	Cost \$	NOLV \$	% of Cost	Cost \$	NOLV \$	% of Cost	Cost \$	NOLV \$	% of Cost	Cost \$	NOLV \$	% of Cost
Projected for January 5, 2019 (1) (2)															
GOB Inventory	\$1,326,950	\$1,123,249	84.6%	\$55,150	\$28,432	51.6%	\$31,709	\$9,356	29.5%	\$134,359	\$118,875	88.5%	\$1,548,169	\$1,279,912	82.7%
Wholesale Inventory	\$110,896	\$39,320	35.5%	\$0	\$0	-	\$0	\$0	-	\$0	\$0	-	\$110,896	\$39,320	35.5%
<b>Total</b>	<b>\$1,437,846</b>	<b>\$1,162,568</b>	<b>80.9%</b>	<b>\$55,150</b>	<b>\$28,432</b>	<b>51.6%</b>	<b>\$31,709</b>	<b>\$9,356</b>	<b>29.5%</b>	<b>\$134,359</b>	<b>\$118,875</b>	<b>88.5%</b>	<b>\$1,659,065</b>	<b>\$1,319,231</b>	<b>79.5%</b>
November 3, 2018 Appraisal (January Rollforward) (1) (2)															
GOB Inventory	\$1,362,465	\$1,155,595	84.8%	N/A	N/A	N/A	\$31,659	\$9,357	29.6%	N/A	N/A	N/A	\$1,394,124	\$1,164,953	83.6%
Wholesale Inventory	\$100,473	\$35,512	35.3%	N/A	N/A	N/A	\$0	\$0	-	N/A	N/A	N/A	\$100,473	\$35,512	35.3%
<b>Total</b>	<b>\$1,462,937</b>	<b>\$1,191,108</b>	<b>81.4%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$31,659</b>	<b>\$9,357</b>	<b>29.6%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,494,597</b>	<b>\$1,200,465</b>	<b>80.3%</b>
Change (1) (2)															
GOB Inventory	(\$35,514)	(\$32,346)	(0.2%)	N/A	N/A	N/A	\$50	(\$1)	(0.1%)	N/A	N/A	N/A	\$154,044	\$114,959	(0.9%)
Wholesale Inventory	\$10,423	\$3,807	0.1%	N/A	N/A	N/A	\$0	\$0	-	N/A	N/A	N/A	\$10,423	\$3,807	0.1%
<b>Total</b>	<b>(\$25,091)</b>	<b>(\$28,539)</b>	<b>(0.6%)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$50</b>	<b>(\$1)</b>	<b>(0.1%)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$164,468</b>	<b>\$118,766</b>	<b>(0.8%)</b>

**Note(s):**

(1) Percentages (%) and dollars (\$) may not add due to rounding.

(2) This Exhibit should be read in conjunction with the full written report.

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Exhibit A

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## Exhibits | Inventory Appraisal

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## Sears Holdings Corporation

## Total Company

Summary of Blended Net Recovery Values by Store Banner or Inventory Type  
 Projected for January 5, 2019 vs. November 3, 2018 (January Rollforward)  
 (\$ in 000's)

	On-Hand Go-Forward Inventory			In-Transit Go-Forward Inventory			Wave 2 Inventory			Wave 3 Inventory			Total Company		
	Cost \$	NOLV \$	% of Cost	Cost \$	NOLV \$	% of Cost	Cost \$	NOLV \$	% of Cost	Cost \$	NOLV \$	% of Cost	Cost \$	NOLV \$	% of Cost
Projected for January 5, 2019															
Kmart Stores	\$510,128	\$425,878	83.5%	\$22,345	\$13,065	57.9%	\$14,412	\$8,934	27.2%	\$61,892	\$30,633	81.0%	\$608,978	\$493,491	81.0%
Sears Full Line Stores (1)	775,791	744,071	95.9%	32,605	18,100	55.5%	17,297	5,526	32.0%	72,467	69,041	95.3%	898,160	856,738	93.2%
Sears Auto Centers (2)	41,031	16,685	40.7%	-	-	-	-	-	-	-	-	-	41,031	16,685	40.7%
<b>Estimated Total Company GOB Net Recovery Before Other Adjustments and Corporate Expenses</b>	<b>\$1,326,950</b>	<b>\$1,186,634</b>	<b>89.4%</b>	<b>\$55,150</b>	<b>\$31,165</b>	<b>56.5%</b>	<b>\$31,709</b>	<b>\$9,441</b>	<b>29.8%</b>	<b>\$134,359</b>	<b>\$119,674</b>	<b>89.1%</b>	<b>\$1,548,169</b>	<b>\$1,346,914</b>	<b>87.0%</b>
Less: Royalty Payments (3)	4,246	0.3%	-	163	0.3%	-	37	0.1%	-	427	0.3%	-	4,271	0.3%	-
<b>Estimated Blended Net Recovery Before Estimated Liquidation Fees and Corporate Expenses</b>	<b>\$1,182,389</b>	<b>89.1%</b>	<b>-</b>	<b>\$31,002</b>	<b>56.2%</b>	<b>-</b>	<b>\$9,404</b>	<b>29.7%</b>	<b>-</b>	<b>\$119,247</b>	<b>88.8%</b>	<b>-</b>	<b>\$1,342,042</b>	<b>86.7%</b>	<b>-</b>
Less: Estimated Base Liquidation Fee (3)	10,625	0.8%	-	-	-	-	48	0.2%	-	372	0.3%	-	11,045	0.7%	-
<b>Estimated Blended Net Recovery Before Corporate Expenses</b>	<b>\$1,171,764</b>	<b>88.3%</b>	<b>-</b>	<b>\$31,002</b>	<b>56.2%</b>	<b>-</b>	<b>\$9,356</b>	<b>29.5%</b>	<b>-</b>	<b>\$118,875</b>	<b>88.5%</b>	<b>-</b>	<b>\$1,330,997</b>	<b>86.0%</b>	<b>-</b>
Less: Corporate Expenses (3)	48,515	3.7%	-	2,570	4.7%	-	-	-	-	-	-	-	51,085	3.3%	-
<b>Blended Net Recovery For Combined Retail Store GOB Inventory</b>	<b>\$1,123,249</b>	<b>84.6%</b>	<b>-</b>	<b>\$28,432</b>	<b>51.6%</b>	<b>-</b>	<b>\$9,336</b>	<b>29.5%</b>	<b>-</b>	<b>\$118,875</b>	<b>88.5%</b>	<b>-</b>	<b>\$1,279,912</b>	<b>82.7%</b>	<b>-</b>
Add: Non-GOB Wholesale Recovery	110,096	39,320	35.5%	-	-	-	-	-	-	-	-	-	110,096	39,320	35.5%
<b>Total Company Blended Net Recovery (4) (5)</b>	<b>\$1,437,946</b>	<b>\$1,162,568</b>	<b>80.9%</b>	<b>\$55,150</b>	<b>\$28,432</b>	<b>51.6%</b>	<b>\$33,709</b>	<b>\$9,356</b>	<b>29.5%</b>	<b>\$134,359</b>	<b>\$118,875</b>	<b>88.5%</b>	<b>\$1,659,065</b>	<b>\$1,319,231</b>	<b>79.5%</b>
November 3, 2018 Appraisal (January Rollforward)															
Kmart Stores	\$532,083	\$444,266	83.5%	N/A	N/A	N/A	\$14,401	\$8,917	27.3%	N/A	N/A	N/A	\$546,484	\$448,183	82.0%
Sears Full Line Stores (1)	790,966	758,646	95.9%	N/A	N/A	N/A	17,258	5,514	32.0%	N/A	N/A	N/A	808,225	764,160	94.5%
Sears Auto Centers (2)	39,416	16,029	40.7%	N/A	N/A	N/A	-	-	-	N/A	N/A	N/A	39,416	16,029	40.7%
<b>Estimated Total Company GOB Net Recovery Before Other Adjustments and Corporate Expenses</b>	<b>\$1,362,465</b>	<b>\$1,218,940</b>	<b>89.5%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$31,059</b>	<b>\$9,431</b>	<b>29.8%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,394,124</b>	<b>\$1,228,373</b>	<b>88.1%</b>
Less: Royalty Payments (3)	4,308	0.3%	-	N/A	N/A	N/A	-	36	0.1%	N/A	N/A	N/A	4,339	0.3%	-
<b>Estimated Blended Net Recovery Before Estimated Liquidation Fees and Corporate Expenses</b>	<b>\$1,214,638</b>	<b>89.2%</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>\$9,395</b>	<b>29.7%</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>\$1,224,038</b>	<b>87.8%</b>	<b>-</b>
Less: Estimated Base Liquidation Fee (3)	12,600	0.9%	-	N/A	N/A	N/A	-	38	0.1%	N/A	N/A	N/A	12,638	0.9%	-
<b>Estimated Blended Net Recovery Before Corporate Expenses</b>	<b>\$1,202,038</b>	<b>88.2%</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>\$9,357</b>	<b>29.6%</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>\$1,211,395</b>	<b>86.9%</b>	<b>-</b>
Less: Corporate Expenses (3)	16,443	3.4%	-	N/A	N/A	N/A	-	-	-	N/A	N/A	N/A	16,443	3.3%	-
<b>Blended Net Recovery For Combined Retail Store GOB Inventory</b>	<b>\$1,155,595</b>	<b>84.8%</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>\$9,357</b>	<b>29.6%</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>\$1,164,955</b>	<b>83.6%</b>	<b>-</b>
Add: Non-GOB Wholesale Recovery	100,475	35,512	35.3%	N/A	N/A	N/A	-	-	-	N/A	N/A	N/A	100,475	35,512	35.3%
<b>Total Company Blended Net Recovery (4) (5)</b>	<b>\$1,462,937</b>	<b>\$1,191,108</b>	<b>81.4%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$31,059</b>	<b>\$9,357</b>	<b>29.6%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$1,494,597</b>	<b>\$1,200,465</b>	<b>80.3%</b>
Change															
Kmart Stores	(\$21,955)	(\$18,387)	(0.0%)	N/A	N/A	N/A	511	(58)	(0.0%)	N/A	N/A	N/A	\$62,494	\$45,308	(1.0%)
Sears Full Line Stores (1)	(15,175)	(14,574)	(0.0%)	N/A	N/A	N/A	39	12	(0.0%)	N/A	N/A	N/A	89,935	72,578	(1.4%)
Sears Auto Centers (2)	1,615	656	(0.0%)	N/A	N/A	N/A	-	-	-	N/A	N/A	N/A	1,615	656	(0.0%)
<b>Estimated Total Company GOB Net Recovery Before Other Adjustments and Corporate Expenses</b>	<b>(\$35,514)</b>	<b>(\$32,306)</b>	<b>(0.0%)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$50</b>	<b>\$10</b>	<b>(0.0%)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$154,044</b>	<b>\$118,542</b>	<b>(1.1%)</b>
Less: Royalty Payments (3)	(57)	0.0%	-	N/A	N/A	N/A	-	1	0.0%	N/A	N/A	N/A	58	0.0%	-
<b>Estimated Blended Net Recovery Before Estimated Liquidation Fees and Corporate Expenses</b>	<b>(\$32,249)</b>	<b>(0.0%)</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>58</b>	<b>(0.0%)</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>\$118,009</b>	<b>(1.1%)</b>	<b>-</b>
Less: Estimated Base Liquidation Fee (3)	(1,975)	(0.1%)	-	N/A	N/A	N/A	-	10	0.0%	N/A	N/A	N/A	(1,593)	(0.2%)	-
<b>Estimated Blended Net Recovery Before Corporate Expenses</b>	<b>(\$30,274)</b>	<b>0.1%</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>(51)</b>	<b>(0.1%)</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>\$119,602</b>	<b>(0.9%)</b>	<b>-</b>
Less: Corporate Expenses (3)	2,072	0.2%	-	N/A	N/A	N/A	-	-	-	N/A	N/A	N/A	4,643	(0.0%)	-
<b>Blended Net Recovery For Combined Retail Store GOB Inventory</b>	<b>(\$32,346)</b>	<b>(0.2%)</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>(51)</b>	<b>(0.1%)</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>\$118,958</b>	<b>(0.9%)</b>	<b>-</b>
Add: Non-GOB Wholesale Recovery	10,423	3,807	0.1%	N/A	N/A	N/A	-	-	-	N/A	N/A	N/A	10,423	3,807	0.1%
<b>Total Company Blended Net Recovery (4) (5)</b>	<b>(\$25,093)</b>	<b>(\$28,539)</b>	<b>(0.6%)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$50</b>	<b>(51)</b>	<b>(0.2%)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$164,468</b>	<b>\$118,766</b>	<b>(0.8%)</b>

## Notes:

- (1) For presentation purposes, Sears Full Line Stores includes Full Line Stores and Grand/Essentials Stores.
- (2) The Sears Auto Centers are a subcategory within the Kmart, Sears Full Line and Sears Grand stores and are not included in the total store count.
- (3) Total non-direct sale expenses are equal to the sum of royalty payments, base liquidation fee, and corporate expenses.
- (4) Percentages (%) and dollars (\$) may not add due to rounding.
- (5) This Exhibit should be read in conjunction with the full written report.

Exhibit A-1

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**Exhibits | Inventory Appraisal**

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Sears Holdings Corporation Kmart Corporation Summary Of Estimated Net Recovery Values On Retail Store GOB Inventory Projected for January 5, 2019 (\$ in 000s)												
	On-Hand Go Forward Inventory		In-Transit Inventory		Wave 2 Inventory		Wave 3 Inventory		Total			
	Inventory at Cost	Inventory at Retail	Inventory at Cost	Inventory at Retail	Inventory at Cost	Inventory at Retail	Inventory at Cost	Inventory at Retail	Inventory at Cost	Inventory at Retail		
<b>Inventory</b>												
Retail Inventory	\$511,908	\$1,147,021	\$22,545	\$57,929	\$14,389	\$32,241	\$61,792	\$138,455	\$610,634	\$1,368,233		
<b>Less: Adjustments</b>												
Adjustments For Markdowns At Retail Only	N/A	(260,711)	N/A	(13,167)	N/A	(7,368)	N/A	(31,641)	N/A	(327,690)		
Return To Vendor Goods/Damages	(2,611)	(5,927)	-	-	-	-	-	-	(2,611)	(5,927)		
Total Adjustments	(2,611)	(266,638)	-	(13,167)	-	(7,368)	-	(31,641)	(2,611)	(333,617)		
<b>Net Retail Eligible Inventory</b>	<b>\$509,297</b>	<b>\$880,383</b>	<b>\$22,545</b>	<b>\$44,762</b>	<b>\$14,389</b>	<b>\$24,873</b>	<b>\$61,792</b>	<b>\$106,814</b>	<b>\$608,022</b>	<b>\$1,024,816</b>	A	
Tobacco & Alcohol (1)	831	1,131	-	-	23	32	101	137	956	1,300	B	
<b>Total Adjusted Inv. At Retail</b>	<b>\$510,128</b>	<b>\$881,514</b>	<b>\$22,545</b>	<b>\$44,762</b>	<b>\$14,412</b>	<b>\$24,905</b>	<b>\$61,892</b>	<b>\$106,952</b>	<b>\$608,978</b>	<b>\$1,025,916</b>		
	Total \$	% of Elig. Inv. at Cost	% of Elig. Inv. at Retail	Total \$	% of Elig. Inv. at Cost	% of Elig. Inv. at Retail	Total \$	% of Elig. Inv. at Cost	% of Elig. Inv. at Retail	Total \$	% of Elig. Inv. at Cost	
<b>Estimated Gross Recovery</b>												
Retail Inventory	\$589,857	115.8%	67.0%	\$25,514	113.2%	57.0%	\$5,741	39.9%	23.1%	\$70,972	114.9%	66.4%
Non Prescription Pharmacy, Tobacco & Alcohol	1,018	122.4%	90.0%	-	-	-	10	42.2%	31.0%	122	121.4%	89.3%
<b>Total Blended Projected Gross Recovery</b>	<b>\$590,874</b>	<b>115.8%</b>	<b>67.0%</b>	<b>\$25,514</b>	<b>113.2%</b>	<b>57.0%</b>	<b>\$5,751</b>	<b>39.9%</b>	<b>23.1%</b>	<b>\$71,094</b>	<b>114.9%</b>	<b>66.5%</b>
<b>Controllable Expenses: (2)</b>												
Store payroll	51,567	10.1%	5.8%	2,792	12.4%	6.2%	635	4.4%	2.5%	7,393	11.9%	6.9%
Store payroll taxes and benefits	9,282	1.8%	1.1%	502	2.2%	1.1%	114	0.8%	0.5%	1,331	2.2%	1.2%
Incentive & retention bonus	5,157	1.0%	0.6%	279	1.2%	0.6%	63	0.4%	0.3%	739	1.2%	0.7%
Subtotal - Payroll	66,006	12.9%	7.5%	3,573	15.8%	8.0%	813	5.6%	3.3%	9,463	15.3%	8.8%
Advertising & promotional costs	17,135	3.4%	1.9%	740	3.3%	1.7%	83	0.6%	0.3%	1,066	1.7%	1.0%
Store occupancy expense	42,948	8.4%	4.9%	2,325	10.3%	5.2%	643	4.5%	2.6%	4,898	7.9%	4.6%
Store miscellaneous expense	4,303	0.8%	0.5%	233	1.0%	0.5%	56	0.4%	0.2%	582	0.9%	0.5%
Landing costs	-			3,325	14.7%	7.4%	-	-	-	-	-	
Warehouse and distribution expenses	13,695	2.7%	1.6%	1,219	5.4%	2.7%	-	-	-	725	1.2%	0.7%
Credit card fees	8,509	1.7%	1.0%	367	1.6%	0.8%	83	0.6%	0.3%	1,024	1.7%	1.0%
Security	2,879	0.6%	0.3%	156	0.7%	0.3%	38	0.3%	0.2%	626	1.0%	0.6%
Inventory Insurance	735	0.1%	0.1%	37	0.2%	0.1%	-	-	-	115	0.2%	0.1%
Independent inventory costs (3)	388	0.1%	0.0%	20	0.1%	0.0%	-	-	-	61	0.1%	0.1%
Subtotal - Other Operating	30,507	6.0%	3.5%	5,357	23.8%	12.0%	177	1.2%	0.7%	3,134	5.1%	2.0%
On-site supervision	8,399	1.6%	1.0%	455	2.0%	1.0%	121	0.8%	0.5%	1,900	3.1%	1.8%
<b>Total Direct Sale Expenses</b>	<b>164,996</b>	<b>32.3%</b>	<b>18.7%</b>	<b>12,448</b>	<b>55.2%</b>	<b>27.8%</b>	<b>1,894</b>	<b>12.7%</b>	<b>7.4%</b>	<b>20,461</b>	<b>33.1%</b>	<b>19.1%</b>
<b>Estimated Net Recovery Before Other Adjustments and Non-Direct Sale Expenses (4) (5)</b>	<b>\$425,878</b>	<b>83.5%</b>	<b>48.3%</b>	<b>\$13,065</b>	<b>57.9%</b>	<b>29.2%</b>	<b>\$3,914</b>	<b>27.2%</b>	<b>15.7%</b>	<b>\$50,633</b>	<b>81.8%</b>	<b>47.3%</b>

**Note(s):**

- (1) Computed retail value based on Company-supplied sales and margin information.
- (2) Projected expenses based on Company-supplied information.
- (3) Assumes 20% of stores would be counted.
- (4) Percentages (%) and dollars (\$) may not add due to rounding.
- (5) This Exhibit should be read in conjunction with the full written report.

SEARS\_507B\_00001240

Exhibit A-2a

JX 020-28

**Exhibits** | Inventory Appraisal

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Sears Holdings Corporation

Sears Full Line Stores

Summary Of Estimated Net Recovery Values On Retail Store GOB Inventory

Projected for January 5, 2019

(\$ in 000s)

	On-Hand Go-Forward Inventory		In-Transit Inventory		Wave 2 Inventory		Wave 3 Inventory		Total			
	Inventory at Cost	Inventory at Retail	Inventory at Cost	Inventory at Retail	Inventory at Cost	Inventory at Retail	Inventory at Cost	Inventory at Retail	Inventory at Cost	Inventory at Retail		
Total Inventory (1)	\$777,362	\$2,043,660	\$32,605	\$89,545	\$17,297	\$45,473	\$72,467	\$190,512	\$899,730	\$2,365,362		
<b>Less: Adjustments</b>												
Adjustments For Markdowns At Retail Only	N/A	(456,610)	N/A	(20,053)	N/A	(10,160)	N/A	(42,566)	N/A	(525,562)		
Return To Vendor Goods/Damages	(1,571)	(4,504)	-	-	-	-	-	-	(1,571)	(4,504)		
Total Adjustments	(1,571)	(461,114)	-	(20,053)	-	(10,160)	-	(42,566)	(1,571)	(530,066)		
<b>Total Eligible Inventory</b>	<b>\$775,791</b>	<b>\$1,582,545</b>	<b>\$32,605</b>	<b>\$69,492</b>	<b>\$17,297</b>	<b>\$35,313</b>	<b>\$72,467</b>	<b>\$147,947</b>	<b>\$898,160</b>	<b>\$1,335,296</b>		
	Total \$	% of Elig. Inv. at Cost	% of Elig. Inv. at Retail	Total \$	% of Elig. Inv. at Cost	% of Elig. Inv. at Retail	Total \$	% of Elig. Inv. at Cost	Total \$	% of Elig. Inv. at Cost		
<b>Projected Gross Recovery</b>	<b>\$1,012,829</b>	<b>130.6%</b>	<b>64.0%</b>	<b>\$37,926</b>	<b>115.1%</b>	<b>54.0%</b>	<b>\$8,448</b>	<b>48.8%</b>	<b>130.1%</b>	<b>63.7%</b>		
<b>Controllable Expenses:</b> [2]												
Store payroll	79,443	10.2%	5.0%	4,209	12.9%	6.1%	987	5.7%	2.8%	8,761	12.1%	5.9%
Store payroll taxes and benefits	15,973	2.1%	1.0%	846	2.6%	1.2%	198	1.1%	0.6%	1,762	2.4%	1.2%
Incentive & retention bonus	7,944	1.0%	0.5%	421	1.3%	0.6%	99	0.6%	0.3%	876	1.2%	0.6%
<b>Subtotal - Payroll</b>	<b>103,360</b>	<b>13.3%</b>	<b>6.5%</b>	<b>5,476</b>	<b>16.8%</b>	<b>7.9%</b>	<b>1,284</b>	<b>7.4%</b>	<b>3.6%</b>	<b>11,399</b>	<b>15.7%</b>	<b>7.7%</b>
Advertising & promotional costs	30,385	3.9%	1.9%	1,126	3.5%	1.6%	127	0.7%	0.4%	1,179	1.6%	0.8%
Store occupancy expense	68,361	8.8%	4.3%	3,622	11.1%	5.2%	896	5.2%	2.5%	6,376	8.8%	4.3%
Store miscellaneous expense	7,524	1.0%	0.5%	399	1.2%	0.6%	163	0.9%	0.5%	896	1.2%	0.6%
Landing costs	-	-	-	5,190	15.9%	7.5%	-	-	-	-	-	-
Warehouse and distribution expenses:	28,825	3.7%	1.8%	2,257	6.9%	3.2%	-	-	-	870	1.2%	0.6%
Credit card fees	14,585	1.9%	0.9%	540	1.7%	0.8%	122	0.7%	0.3%	1,358	1.9%	0.9%
Security	4,600	0.6%	0.3%	244	0.7%	0.4%	99	0.6%	0.3%	728	1.0%	0.5%
Inventory insurance	1,319	0.2%	0.1%	58	0.2%	0.1%	-	-	-	159	0.2%	0.1%
<b>Independent inventory costs:</b> (4)	<b>633</b>	<b>0.1%</b>	<b>0.0%</b>	<b>28</b>	<b>0.1%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Subtotal - Other Operating</b>	<b>57,496</b>	<b>7.4%</b>	<b>3.6%</b>	<b>8,716</b>	<b>26.7%</b>	<b>12.5%</b>	<b>384</b>	<b>2.2%</b>	<b>1.1%</b>	<b>4,087</b>	<b>5.6%</b>	<b>2.8%</b>
On-site supervision	9,165	1.2%	0.6%	486	1.5%	0.7%	231	1.3%	0.7%	2,208	3.0%	1.5%
<b>Total Direct Sale Expenses</b>	<b>268,758</b>	<b>34.6%</b>	<b>17.0%</b>	<b>19,426</b>	<b>59.6%</b>	<b>28.0%</b>	<b>2,921</b>	<b>16.9%</b>	<b>8.3%</b>	<b>25,249</b>	<b>34.8%</b>	<b>17.1%</b>
<b>Estimated Net Recovery Before Other Adjustments and Non-Direct Sale Expenses:</b> [5] [6]	<b>\$744,071</b>	<b>95.9%</b>	<b>47.0%</b>	<b>\$18,100</b>	<b>55.5%</b>	<b>26.0%</b>	<b>\$5,526</b>	<b>32.0%</b>	<b>15.6%</b>	<b>\$69,041</b>	<b>95.3%</b>	<b>46.7%</b>
	Total \$	% of Elig. Inv. at Cost	% of Elig. Inv. at Retail	Total \$	% of Elig. Inv. at Cost	% of Elig. Inv. at Retail	Total \$	% of Elig. Inv. at Cost	Total \$	% of Elig. Inv. at Cost		
	<b>\$836,738</b>	<b>93.2%</b>	<b>45.6%</b>									

Note(s):

- (1) Markup supplied by the Company.
  - (2) Projected expenses based on Company-supplied information.
  - (3) Sears warehouse and distribution expenses for all banners are included in Sears Full Line Stores expenses.
  - (4) Assumes 20% of stores would be counted.
  - (5) Percentages (%) and dollars (\$) may not add due to rounding.
  - (6) This Exhibit should be read in conjunction with the full written report.

SEARS\_507B\_00001241

**Exhibit A-2b**

JX 020-29

**Exhibits | Inventory Appraisal****TIGER**

**Sears Holdings Corporation**  
**Sears Auto Centers**  
**Summary Of Estimated Net Recovery Values On Retail Store GOB Inventory**  
**Projected for January 5, 2019**  
(\$ in 000s)

	Inventory at Cost	Inventory at Retail	
<b>Total Inventory</b>	<b>\$41,031</b>	<b>\$76,861</b>	
Less: Adjustments	-	(12,124)	
<b>Total Eligible Inventory</b>	<b>\$41,031</b>	<b>\$64,737</b>	
	Total \$	% of Elig. Inv. at Cost	% of Elig. Inv. at Retail
<b>Projected Gross Recovery (1)</b>	<b>\$42,079</b>	<b>102.6%</b>	<b>65.0%</b>
<b>Controllable Expenses: (2)</b>			
Store payroll	14,669	35.8%	22.7%
Store payroll taxes and benefits	3,301	8.0%	5.1%
Incentive & retention bonus	1,467	3.6%	2.3%
Subtotal - Payroll	19,437	47.4%	30.0%
Advertising & promotional costs	1,262	3.1%	2.0%
Store occupancy expense	2,395	5.8%	3.7%
Store miscellaneous expense	881	2.1%	1.4%
Central Services	234	0.6%	0.4%
Merchandise transfers	493	1.2%	0.8%
Credit card fees	606	1.5%	0.9%
Inventory insurance	54	0.1%	0.1%
Independent inventory costs (3)	32	0.1%	0.1%
Subtotal - Other Operating	2,300	5.6%	3.6%
On-site supervision (4)	-	-	-
<b>Total Direct Sale Expenses</b>	<b>25,394</b>	<b>61.9%</b>	<b>39.2%</b>
<b>Estimated Net Recovery Before Other Adjustments and Non-Direct Sale Expenses (5) (6)</b>	<b>\$16,685</b>	<b>40.7%</b>	<b>25.8%</b>

Note(s):

- (1) Does not include revenue associated with service or installation.
- (2) Projected expenses based on Company-supplied information.
- (3) Assumes 20% of stores would be counted.
- (4) On-site supervision is included in Sears Full Line Stores (Exhibit A-2b).
- (5) Percentages (%) and dollars (\$) may not add due to rounding.
- (6) This Exhibit should be read in conjunction with the full written report.

Exhibit A-2c

Exhibit A-3

SEARS 507B 00001243

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**Exhibits** | Inventory Appraisal

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**Exhibits | Inventory Appraisal**

**TIGER**

**Sears Holdings Corporation**  
**On-Hand Go-Forward Inventory**  
**Projected 12 Month Liquidation Analysis**  
(\$ in 000s)

Month Beginning	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019
GOB Inventory at Cost	(1) \$1,326,950	\$1,332,607	\$1,295,858	\$1,266,786	\$1,302,593	\$1,256,908	\$1,208,579	\$1,223,993	\$1,329,733	\$1,490,690	\$1,601,780	\$1,577,860
Wholesale Inventory at Cost	(1) 110,896	109,586	109,586	109,586	109,586	109,586	109,586	109,586	109,586	109,586	109,586	109,586
Total at Cost	1,437,846	1,442,192	1,405,443	1,376,371	1,412,178	1,366,493	1,318,165	1,333,579	1,439,319	1,600,275	1,711,365	1,687,445
Gross Recovery GOB	(2) 1,645,782	1,650,893	1,605,400	1,572,107	1,617,736	1,561,156	1,499,838	1,517,435	1,647,932	1,846,497	1,985,112	1,957,423
Gross Recovery Wholesale	(3) 39,320	38,259	38,259	38,259	38,259	38,259	38,259	38,259	38,259	38,259	38,259	38,259
Total Gross Recovery	1,685,102	1,689,152	1,643,659	1,510,366	1,655,995	1,599,415	1,538,097	1,555,694	1,686,191	1,884,756	2,023,371	1,995,682
Less: Total Combined Direct Sale Expenses	(4) 459,148	442,373	434,508	425,323	445,017	428,868	407,706	401,693	425,416	458,758	492,783	488,180
Estimated Total Company Net Recovery Before Other Adjustments and Corporate Expenses	1,225,954	1,246,780	1,209,151	1,185,042	1,210,978	1,170,548	1,130,390	1,154,001	1,260,775	1,425,998	1,530,588	1,507,502
Less: Total Other Adjustments (Royalties)	4,246	4,259	4,141	4,055	4,173	4,027	3,869	3,914	4,251	4,763	5,121	5,049
Less: Total Estimated Base Liquidation Fee	(5) 10,625	10,625	10,625	10,625	10,625	10,625	10,625	10,625	10,625	10,625	10,625	10,625
Estimated Blended Net Recovery Before Corporate Expenses	1,211,083	1,231,896	1,194,385	1,170,362	1,196,180	1,155,896	1,115,896	1,139,461	1,245,899	1,410,609	1,514,842	1,491,827
Less: Corporate Expenses	(4) 48,515	45,428	45,010	44,150	48,233	47,275	43,999	41,177	42,386	45,662	50,635	50,635
<b>Total Company Blended Net Recovery</b>	(6)(7) \$1,162,568	\$1,186,468	\$1,149,375	\$1,126,211	\$1,147,947	\$1,108,620	\$1,071,897	\$1,098,285	\$1,203,513	\$1,364,947	\$1,464,207	\$1,441,192
<b>Total Company Blended Net Recovery (% of Cost)</b>	(7)(8) 80.9%	82.3%	81.8%	81.8%	81.3%	81.1%	81.3%	82.4%	83.6%	85.3%	85.6%	85.4%

**Note(s):**

- (1) Based upon Company projected inventory information.
- (2) Based on GOLVs by Banner as estimated in Tiger Valuation's December 1, 2018 analysis.
- (3) Based on the Company projected inventory mix (See Exhibit F).
- (4) Based upon December 1, 2018 estimated expenses.
- (5) Based on \$25,000 minimum fee per store.
- (6) Any change in inventory mix, mark-up or levels would have a material effect on projected net recoveries.
- (7) Percentages (%) and dollars (\$) may not add due to rounding.
- (8) This Exhibit should be read in conjunction with the full written report.

Exhibit A-3a

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**Exhibits | Inventory Appraisal**

**TIGER**

Sears Holdings Corporation In-Transit Inventory Projected 12 Month Liquidation Analysis (\$ in 000s)													
Month Beginning	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	
GOB Inventory at Cost	(1)	\$55,150	\$68,210	\$81,239	\$86,417	\$64,714	\$86,028	\$118,304	\$139,152	\$154,482	\$126,104	\$108,414	\$80,875
Gross Recovery GOB	(2)	63,040	77,967	92,863	98,784	73,966	98,333	135,232	159,066	176,578	144,132	123,908	92,425
Less: Total Combined Direct Sale Expenses	(3)	31,875	38,649	46,064	49,229	36,782	48,856	66,907	77,370	84,351	68,136	58,971	45,055
Estimated Total Company Net Recovery Before Other Adjustments and Corporate Expenses	31,165	39,318	46,800	49,555	37,184	49,478	68,324	81,695	92,217	75,997	64,938	47,369	
Less: Total Other Adjustments [Royalties]	163	201	240	255	191	254	349	410	456	372	320	238	
Less: Total Estimated Base Liquidation Fee	(4)	-	-	-	-	-	-	-	-	-	-	-	
Estimated Blended Net Recovery Before Corporate Expenses	31,002	39,117	46,560	49,300	36,993	49,224	67,976	81,285	91,762	75,625	64,618	47,131	
Less: Corporate Expenses	(3)	2,570	3,125	3,730	3,982	2,974	4,032	5,494	6,199	6,552	5,242	4,586	2,789
<b>Total Company Blended Net Recovery</b>	<b>(5)(6)</b>	<b>\$28,432</b>	<b>\$35,992</b>	<b>\$42,831</b>	<b>\$45,318</b>	<b>\$34,019</b>	<b>\$45,192</b>	<b>\$62,482</b>	<b>\$75,086</b>	<b>\$85,210</b>	<b>\$70,383</b>	<b>\$60,032</b>	<b>\$44,342</b>
<b>Total Company Blended Net Recovery (% of Cost)</b>	<b>(6)(7)</b>	<b>51.6%</b>	<b>52.8%</b>	<b>52.7%</b>	<b>52.4%</b>	<b>52.6%</b>	<b>52.5%</b>	<b>52.8%</b>	<b>54.0%</b>	<b>55.2%</b>	<b>55.8%</b>	<b>55.4%</b>	<b>54.8%</b>

**Note(s):**

- (1) Based upon Company projected inventory information.
- (2) Based on GOLVs by Banner as estimated in Tiger Valuation's December 1, 2018 analysis.
- (3) Based upon December 1, 2018 estimated expenses.
- (4) Base liquidation fee is included in the On-Hand Go-Forward inventory.
- (5) Any change in inventory mix, mark-up or levels would have a material effect on projected net recoveries.
- (6) Percentages (%) and dollars (\$) may not add due to rounding.
- (7) This Exhibit should be read in conjunction with the full written report.

Exhibit A-3b

SEARS\_507B\_00001245

JX 020-33

**Exhibits | Inventory Appraisal**

**TIGER**

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**Sears Holdings Corporation**

**Store Closing Summary**

Wave 2

(\$ in 000s)

Week	Date Range	Weekly Pro Forma (1) (2)										
		Kmart Corporation			Sears Full Line Stores			Non-Direct Expense for Sale Starting Each Week		Total Company		
		Inv. at Cost	NOLV for Sale Starting Each Week		Inv. at Cost	NOLV for Sale Starting Each Week		Exp \$	% of Cost	Inv. at Cost	NOLV for Sale Starting Each Week	
			NOLV \$	% of Cost		NOLV \$	% of Cost				NOLV \$	% of Cost
Week 8	01/05 - 01/11	\$14,412	\$3,914	27.2%	\$17,297	\$5,526	32.0%	\$85	0.3%	\$31,709	\$9,356	29.5%
Week 9	01/12 - 01/18	9,065	1,721	19.0%	11,771	2,420	20.6%	45	0.2%	20,836	4,097	19.7%
Week 10	01/19 - 01/20	2,789	266	9.6%	6,076	390	6.4%	9	0.1%	8,866	647	7.3%
<b>Weighted Avg.</b>		<b>\$3,283</b>	<b>\$738</b>	<b>22.5%</b>	<b>\$4,393</b>	<b>\$1,042</b>	<b>23.7%</b>	<b>\$17</b>	<b>0.2%</b>	<b>\$7,676</b>	<b>\$1,763</b>	<b>23.0%</b>

**Note(s):**

(1) Percentages (%) and dollars (\$) may not add due to rounding.

(2) This Exhibit should be read in conjunction with the full written report.

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Exhibit A-3c

JX 020-34

**Exhibits**

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Sears Holdings Corporation  
 Store Closing Summary

Wave 3

(\\$ in 000s)

Week	Date Range	Weekly Pro Forma (1) (2)											
		Kmart Corporation					Sears Full Line Stores					Non-Direct Expense for Sale Starting Each Week	
		Inventory at Cost by Location			NOLV for Sale Starting Each Week		Inventory at Cost by Location			NOLV for Sale Starting Each Week		Inv. at Cost	NOLV for Sale Starting Each Week
Store	Warehouse	Total	NOLV \$	% of Cost	Store	Warehouse	Total	NOLV \$	% of Cost	Exp \$	% of Cost	NOLV \$	% of Cost
Week 1	01/05 - 01/11	\$53,950	\$7,942	\$61,892	\$50,633	81.8%	\$63,575	\$8,892	\$72,467	\$69,041	95.3%	\$799	0.6%
Week 2	01/12 - 01/18	45,768	7,942	53,710	41,662	77.6%	54,535	8,892	63,427	56,874	89.7%	709	0.6%
Week 3	01/19 - 01/25	39,448	7,148	46,596	33,946	72.9%	47,072	8,002	55,074	47,100	85.5%	630	0.6%
Week 4	01/26 - 02/01	34,431	5,559	39,990	26,972	67.4%	40,980	6,224	47,204	38,096	80.7%	555	0.6%
Week 5	02/02 - 02/08	30,716	3,177	33,893	20,742	61.2%	36,098	3,557	39,655	29,634	74.7%	482	0.7%
Week 6	02/09 - 02/15	25,249	3,177	28,426	15,875	55.8%	31,349	1,778	33,128	22,533	68.0%	406	0.7%
Week 7	02/16 - 02/22	23,516	-	23,516	11,841	50.4%	27,572	-	27,572	16,809	61.0%	335	0.7%
Week 8	02/23 - 03/01	19,247	-	19,247	8,747	45.4%	22,415	-	22,415	12,142	54.2%	270	0.6%
Week 9	03/02 - 03/08	15,233	-	15,233	6,375	41.8%	17,831	-	17,831	8,213	46.1%	209	0.6%
Week 10	03/09 - 03/15	11,077	-	11,077	3,862	34.9%	14,035	-	14,035	5,298	37.7%	143	0.6%
Week 11	03/16 - 03/22	7,211	-	7,211	1,871	25.9%	9,294	-	9,294	2,365	25.4%	78	0.5%
Week 12	03/23 - 03/24	2,234	-	2,234	258	11.5%	3,298	-	3,298	387	11.7%	17	0.3%
<b>Weighted Avg.</b>		<b>\$40,863</b>	<b>\$6,354</b>	<b>\$47,216</b>	<b>\$34,791</b>	<b>73.7%</b>	<b>\$48,452</b>	<b>\$7,113</b>	<b>\$55,565</b>	<b>\$48,149</b>	<b>86.7%</b>	<b>\$635</b>	<b>0.6%</b>
												<b>\$102,781</b>	<b>\$82,305</b>
													<b>80.1%</b>

**Note(s):**

(1) Percentages (%) and dollars (\$) may not add due to rounding.

(2) This Exhibit should be read in conjunction with the full written report.

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Exhibit A-3d

JX 020-35

**Exhibits | Inventory Appraisal**

**TIGER**

**Sears Holdings Corporation**

**Total Company**  
**Inventory Reconciliation**  
**As of December 1, 2018**  
(\$ in 000's)

Classification	Borrowing Base Certificate	Tiger Valuation's Analysis	Variance
Inventory per Stock Ledger	\$2,079,822	\$2,186,509	\$106,687
Home Services	110,609	-	(110,609)
<b>Total Stock Ledger (1)</b>	<b>2,190,430</b>	<b>2,186,509</b>	<b>(3,922)</b>
<b>Less Ineligible Inventory:</b>			
Consigned Inventory	5,064	2,200	-
Store Closure Sale inventory in excess of four weeks	79,487	-	(79,487)
Store Closure Inventory (142 stores)	194,300	-	(194,300)
Store Closure Inventory (40 stores)	57,100	-	(57,100)
Inventory paid for in advance of shipment	99,587	98,820	(767)
Live plants, nursery, floral	956	-	(956)
Restaurant	236	-	(236)
Readers Market	1,152	-	(1,152)
50% Home Services	55,304	54,531	(773)
Inventory at stores already in process of closing	-	10,270	10,270
Other (1)	-	(6,135)	(6,135)
<b>Ineligible Inventory</b>	<b>493,196</b>	<b>159,686</b>	<b>(330,645)</b>
<b>Less Inventory Reserves:</b>			
In-Transit Reserve	60,495	-	(60,495)
<b>Inventory Reserves</b>	<b>60,495</b>	<b>-</b>	<b>(60,495)</b>
Add: SRAC L/C's (net of 2.73% reserve)	5,265	-	(5,265)
<b>Net Eligible Inventory (2) (3)</b>	<b>\$1,642,005</b>	<b>\$2,026,823</b>	<b>\$384,818</b>

Note(s):

(1) Variance is due to the exclusion of accounting adjustments in the beginning borrowing base inventory.

Tiger Valuation incorporated this adjustment into other ineligible inventory.

(2) Dollars (\$) may not add due to rounding.

(3) This Exhibit should be read in conjunction with the full written report.

Exhibit B

**Exhibits | Inventory Appraisal**

**TIGER**

**Sears Holdings Corporation**  
**Total Company**  
**Stock Ledger Inventory at Cost**  
**As of December 1, 2018**  
 (\$ in 000's)

Classification	Kmart Cost \$	Sears Cost \$	Total Cost \$
<b>Total Stock Ledger (1)</b>	\$837,809	\$1,352,622	\$2,190,430
SRAC L/C on Trailer Inventory	45	339	385
Inventory Reserve	206	1,543	1,749
<b>Total Adjusted Stock Ledger</b>	<b>838,060</b>	<b>1,354,504</b>	<b>2,192,564</b>
<b>Inventory Reclassification:</b>			
Reclassifications	4,005	(4,005)	-
<b>Inventory at Stores Already in Process of Closing:</b>	<b>2,923</b>	<b>7,347</b>	<b>10,270</b>
<b>Less: Excluded Inventory</b>			
Unshipped Merchandise	-	98,820	98,820
Consignment Inventory	2,200	-	2,200
50% Home Services	-	54,531	54,531
Accounting & Miscellaneous Adjustments	-	(80)	(80)
<b>Total Excluded Inventory</b>	<b>2,200</b>	<b>153,271</b>	<b>155,471</b>
<b>Stock Ledger Net of Exclusions</b>	<b>828,932</b>	<b>\$1,197,891</b>	<b>\$2,026,823</b>
<b>Less: Inventory not to be Included in Retail Store GOB</b>			
<b>Inventory Classifications to be Sold On A Wholesale Basis</b>			
Repair Parts (Exhibit B-4)	(2)	-	50,943
Sears Home Improvement (Exhibit B-4)	(2)	-	3,588
Prescription Pharmacy Inventory (Exhibit B-4)	(2)(3)	27,448	-
Commercial Sales (Builders Distributors) (Exhibit B-4)	(2)	-	26,723
RTV/Damages (Exhibit B-4)	(2)	2,871	1,726
Restaurant Inventory (Exhibit B-4)	(2)	236	-
<b>Subtotal: Inventory Classifications to be Sold On A Wholesale Basis (Exhibit B-4)</b>	<b>30,555</b>	<b>82,981</b>	<b>113,536</b>
<b>Inventory Not Included in Retail Store GOB</b>	<b>30,555</b>	<b>82,981</b>	<b>113,536</b>
<b>Total Adjusted Inventory To Be Included In Retail Store GOB's (4) (5)</b>	<b>\$798,377</b>	<b>\$1,114,910</b>	<b>\$1,913,287</b>

Note(s):

- (1) Stock Ledger inventory excludes Lands' End merchandise.
- (2) Inventory to be sold on a wholesale basis (Exhibit B-4 & B-6).
- (3) Will be sold with prescription lists.
- (4) Percentages (%) and dollars (\$) may not add due to rounding.
- (5) This Exhibit should be read in conjunction with the full written report.

Exhibit B-1

TIGER

**Exhibits | Inventory Appraisal**

HIGHLY CONFIDENTIAL

Classification	Store Count	545 Stores						
		Cost (1) (2) \$	MU (3) %	Retail (2) (4) \$	Retail Markdown (5) \$	Adjusted Retail \$	% To Total Inv. %	Avg. Retail Inv. Per Store \$
<b>On-Hand Go-Forward Inventory</b>								
Kmart Stores (6)	202	\$510,128	55.3%	\$1,142,225	\$260,711	\$881,514	29.8%	\$5,655
Sears Full Line Stores (7)(8)	223	775,791	62.0%	2,039,155	456,610	1,582,545	53.5%	9,144
Sears Auto Centers (9)(10)	239	41,031	46.6%	76,861	12,124	64,737	2.2%	322
<b>Total On-Hand Go-Forward Inventory</b>	<b>664</b>	<b>\$1,326,950</b>	<b>59.3%</b>	<b>\$3,258,241</b>	<b>\$729,445</b>	<b>\$2,528,796</b>	<b>85.5%</b>	<b>\$4,907</b>
<b>In-Transit Inventory</b>								
Kmart Stores	N/A	\$22,545	61.1%	\$57,929	\$13,167	\$44,762	1.5%	N/A
Sears Full Line Stores	N/A	32,605	63.6%	89,545	20,053	69,492	2.3%	N/A
<b>Total In-Transit Inventory</b>	<b>N/A</b>	<b>\$55,150</b>	<b>62.6%</b>	<b>\$147,474</b>	<b>\$33,220</b>	<b>\$114,253</b>	<b>3.9%</b>	<b>N/A</b>
<b>Wave 2 Inventory</b>								
Kmart Stores	11	14,412	55.3%	\$32,273	\$7,368	\$24,905	0.8%	\$2,934
Sears Full Line Stores	29	17,297	62.0%	45,473	10,160	35,313	1.2%	1,568
<b>Total Wave 2 Inventory</b>	<b>40</b>	<b>\$31,709</b>	<b>59.2%</b>	<b>\$77,746</b>	<b>\$17,528</b>	<b>\$60,218</b>	<b>2.0%</b>	<b>\$1,944</b>
<b>Wave 3 Inventory</b>								
Kmart Stores	37	61,892	55.3%	\$138,592	31,641	106,952	3.6%	\$3,746
Sears Full Line Stores	43	72,467	62.0%	190,512	42,566	147,947	5.0%	4,431
<b>Total Wave 3 Inventory</b>	<b>80</b>	<b>\$134,359</b>	<b>59.2%</b>	<b>\$329,104</b>	<b>\$74,206</b>	<b>\$254,898</b>	<b>8.6%</b>	<b>\$4,114</b>
<b>Total Adjusted Inventory to be Included in Retail Store GOB's (11) (12)</b>								
	<b>545</b>	<b>\$1,548,169</b>	<b>59.4%</b>	<b>\$3,812,565</b>	<b>\$854,400</b>	<b>\$2,958,165</b>	<b>100.0%</b>	<b>\$4,863</b>

**Note(s):**

- (1) Adjusted stock ledger cost represents cost value of inventory to be included in the retail store GOB.
- (2) Excludes damages / RTV merchandise.
- (3) Markup (MU) supplied by Company.
- (4) Includes some computed retail based upon Company-supplied sales and margin information.
- (5) To capture unknown damages, excess shrink, and to more properly reflect actual selling prices, a markdown was applied to the original retail as supplied by the Company.
- (6) For presentation purposes, all Kmart DC inventory is included in the Kmart stores.
- (7) For presentation purposes, all Sears DC inventory (except tires) is included in the Full Line stores.
- (8) For presentation purposes, Sears Full Line Stores includes 291 Full Line Stores and 4 Grand/Essentials Stores.
- (9) For presentation purposes, all Sears DC tire inventory is included in the Sears Auto Centers.
- (10) The 239 Sears Auto Centers are a subcategory within the Kmart, Sears Full Line and Sears Grand stores and are not included in the total store count.
- (11) Percentages (%) and dollars (\$) may not add due to rounding.
- (12) This Exhibit should be read in conjunction with the full written report.

Exhibit B-2

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**Exhibits | Inventory Appraisal**

**TIGER**

**Sears Holdings Corporation**

**Kmart Corporation (317 Stores)**

Inventory to be included in the Retail Stores GOB Sale at Cost and Retail  
As of December 1, 2018  
(\$ in 000's)

Classification	Inventory at Cost			Inventory at Retail			
	Store \$ (3)	DC \$ (3)	Total \$	MU (2) %	Store \$ (3)	DC \$ (3)	Total \$
<b>Home</b>							
Household Goods	\$69,557	\$33,952	\$103,509	55.5%	\$154,859	\$77,755	\$232,614
Outdoor Living	1,603	-	1,603	56.5%	3,681	-	3,681
Lawn & Garden	5,457	1,385	6,842	43.2%	9,427	2,636	12,063
<b>Total Home</b>	<b>76,617</b>	<b>35,337</b>	<b>111,954</b>	<b>54.0%</b>	<b>167,967</b>	<b>80,391</b>	<b>248,359</b>
<b>Hardlines</b>							
Hardware	9,178	4,442	13,620	53.0%	20,273	9,242	29,515
Home Entertainment	1,981	100	2,081	10.6%	2,216	129	2,445
Home Electronics	5,575	2,928	8,503	35.6%	8,527	4,677	13,204
Major Home Appliances	6,112	2,065	8,174	48.3%	11,481	4,283	15,765
Home Office	2	39	41	37.5%	3	62	65
Tools	125	-	125	60.0%	319	-	319
Cooking And Cleanup	425	-	425	60.0%	1,084	-	1,084
Laundry	644	-	644	61.7%	1,680	-	1,680
Plumbing & Heating	49	-	49	38.0%	79	-	79
Food Storage	1,403	-	1,403	51.2%	2,476	-	2,476
Audio/Visual	327	-	327	50.0%	551	-	551
<b>Total Hardlines</b>	<b>25,581</b>	<b>9,571</b>	<b>35,152</b>	<b>47.8%</b>	<b>48,890</b>	<b>18,353</b>	<b>67,283</b>
<b>Apparel</b>							
Jewelry	19,337	1,489	20,796	84.4%	121,615	11,446	133,062
Women	35,752	7,234	42,986	61.0%	91,196	19,076	110,272
Intimate & A.R.	33,936	11,270	44,577	58.0%	81,367	27,025	108,391
Kmart Footwear	41,950	6,023	47,974	62.3%	110,744	16,415	127,189
Off-Price Apparel	985	132	1,107	56.0%	2,381	362	2,684
Men'swear	52,103	14,569	71,723	52.7%	119,756	31,906	151,662
Kidswear	50,082	12,719	63,780	55.7%	122,236	29,633	141,869
Accessories	8,294	3,191	11,493	70.0%	21,314	11,090	32,404
<b>Total Apparel</b>	<b>247,820</b>	<b>57,622</b>	<b>304,842</b>	<b>62.8%</b>	<b>671,809</b>	<b>147,804</b>	<b>819,234</b>
<b>Drug Store</b>							
Beauty Care	36,011	6,072	41,083	43.7%	64,555	10,137	74,692
Stationery	7,033	1,486	8,487	50.0%	14,203	2,866	17,089
Cards, Wrap & Party	152	65	217	16.2%	357	2	259
Health Care	24,865	5,225	30,090	41.3%	44,795	8,311	53,106
<b>Total Drug Store</b>	<b>68,010</b>	<b>12,846</b>	<b>80,877</b>	<b>44.3%</b>	<b>123,811</b>	<b>21,336</b>	<b>145,147</b>
<b>Food &amp; Consumables</b>							
Consumables	29,022	10,390	39,413	32.3%	44,162	13,853	58,015
Edible	21,454	3,659	23,146	29.0%	30,361	2,329	32,590
Tobacco & Alcohol	1,243	23	1,266	26.2%	1,656	60	1,716 (1)
Beverages/Market	1,096	65	1,157	42.8%	1,927	96	2,023
<b>Total Food &amp; Consumables</b>	<b>52,815</b>	<b>12,156</b>	<b>64,581</b>	<b>31.3%</b>	<b>78,006</b>	<b>16,338</b>	<b>94,344</b>
<b>General Merchandise</b>							
Toys And Hobbies	57,837	31,159	88,995	45.1%	105,293	56,725	162,018
Seasonal	16,193	8,062	24,254	67.6%	50,740	24,215	74,954
Sport Gd/Athletic	29,807	9,466	39,287	51.7%	61,118	20,200	81,318
Car Care	3,969	584	6,553	53.5%	12,795	1,229	14,024
<b>Total General Merchandise</b>	<b>109,826</b>	<b>49,264</b>	<b>159,090</b>	<b>52.3%</b>	<b>229,945</b>	<b>102,369</b>	<b>332,314</b>
<b>Pharmacy</b>							
Non Prescription Pharmacy	-	-	-	-	-	-	(1)
<b>Miscellaneous</b>							
Regional Merchandise	6,112	112	6,224	46.7%	11,461	215	11,675
Miscellaneous	53	10	63	53.0%	110	21	132
<b>Total Miscellaneous</b>	<b>6,155</b>	<b>122</b>	<b>6,287</b>	<b>46.8%</b>	<b>11,571</b>	<b>236</b>	<b>11,807</b>
<b>Additional Kmart Divisions</b>							
RTW	214	5,000	5,214	512.8%	710	(1,973)	(1,263)
S Child Appr	53	867	921	64.0%	76	2,547	2,623
S Boy/Girl Ap	-	2,621	2,021	556.0%	-	(442)	(442)
Mens Apparel	251	8,217	8,468	68.4%	738	26,035	26,773
<b>Total Additional Kmart Divisions</b>	<b>519</b>	<b>16,104</b>	<b>16,623</b>	<b>40.0%</b>	<b>1,524</b>	<b>26,167</b>	<b>27,691</b>
<b>Adjusted Inventory (5)</b>	<b>\$587,374</b>	<b>\$192,432</b>	<b>\$779,896</b>	<b>55.3%</b>	<b>\$1,338,123</b>	<b>\$433,056</b>	<b>\$1,746,179</b>
Less: Tobacco & Alcohol (Exhibit B-5)			(1,206)				(1,722) (1)
Retail inventory Excluding Tobacco & Alcohol			778,540				1,744,457
Add: Tobacco & Alcohol (Exhibit B-5)			1,266				1,722
<b>Adjusted Inventory</b>			<b>779,896</b>				<b>1,746,179</b>
Less: Return To Vendor Goods/Damages (Exhibit B-4)			(2,871)				(6,515)
<b>Total Adjusted Kmart Inventory Before Markdowns</b>			<b>776,935</b>				<b>1,739,663</b>
Less: Adjustments For Markdowns At Retail Only							
Jewelry Markdown Adjustment At Retail Only			N/A (4)				(194,000)
Non-Jewelry Markdown Adjustment At Retail Only			N/A (4)				(293,100)
Total Adjustments For Markdowns At Retail Only			N/A (4)				(387,100)
<b>Total On-Hand Adjusted Inventory to be Included in Kmart Retail GOB Sale (\$ 6)</b>			<b>776,935</b>				<b>1,342,563</b>
In-Transit Inventory to be Included in Kmart Retail GOB Sale			21,441				55,893
In-Transit Markdown Adjustment At Retail Only			N/A (4)				(12,521)
Adjusted In-Transit Inventory to be Included in Kmart Retail GOB Sale			21,441 (4)				43,371
<b>Total Adjusted Inventory to be Included in Kmart Retail GOB Sale (6)</b>			<b>798,377</b>				<b>\$1,385,134</b>

**Note(s):**

(1) Computed total based upon Company supplied sales and margin information. Total computed retail equals \$1.7 million (see Exhibit B-5).

(2) Markup (MU) supplied by Company.

(3) DC and store inventory includes pack-away inventory which is included in estimated GOB recoveries.

(4) N/A means Not Applicable.

(5) Percentages (%) and dollars (\$) may not add due to rounding.

(6) This exhibit should be read in conjunction with the full written report.

Exhibit B-3a

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## Exhibits | Inventory Appraisal

TIGER

## Sears Holdings Corporation

Sears Full Line Stores (378 Full Line, 4 Grand/Essentials)

Inventory to be Included in the Retail Store GOB Sale at Cost and Retail

As of December 1, 2018

(\$ in 000's)

Classification	Inventory at Cost			Inventory at Retail			
	Store \$ (2)	DC \$ (2)	Total \$	MU (1) %	Store \$ (2)	DC \$ (2)	Total \$
<b>Home</b>							
Housewares	\$11,108	\$6,951	\$18,058	49.0%	\$20,639	\$14,556	\$35,395
Luggage	2,927	896	3,823	70.2%	11,601	1,245	12,845
Floorcare, Sewing	7,080	14,084	21,164	49.4%	15,571	26,217	41,788
Window	1,418	103	1,521	63.3%	3,872	166	4,039
Custom Draperies	2,130	786	2,916	56.0%	5,682	1,265	6,947
Floor Coverings	289	-	289	64.3%	809	-	809
Lawn, Garden, Patio	40,628	30,081	70,709	50.5%	81,355	60,858	142,173
Mattresses	23,406	-	23,406	75.1%	93,938	-	93,938
Bed And Bath	17,559	4,269	22,227	65.7%	58,421	6,379	64,800
<b>Total Home</b>	<b>106,944</b>	<b>57,170</b>	<b>164,115</b>	<b>59.2%</b>	<b>292,069</b>	<b>110,665</b>	<b>402,733</b>
<b>Hardlines</b>							
Home Office	354	425	779	73.2%	428	2,477	2,904
Tools	47,070	66,478	113,547	53.9%	117,092	129,153	246,245
Cooking And Cleanup	31,806	29,381	61,185	50.0%	67,036	55,389	122,425
Laundry	22,550	42,444	64,994	48.5%	49,808	76,422	126,229
Paint	1,099	79	1,177	38.2%	1,676	229	1,906
Water Treatment	589	1,280	1,869	49.0%	1,281	2,382	3,663
Electrical Components	2,308	3,042	5,350	50.6%	5,605	5,220	10,824
Plumbing & Heating	5,506	6,407	11,912	52.1%	9,451	15,401	24,884
Food Storage	37,648	58,626	96,274	50.6%	70,947	123,875	194,812
Audio/Visual	2,167	2,381	4,548	61.8%	3,679	8,886	11,915
Bathrm Fixtures & Plumbing Acc	95	4	99	51.9%	191	15	206
<b>Total Hardlines</b>	<b>151,191</b>	<b>210,546</b>	<b>361,736</b>	<b>51.5%</b>	<b>326,596</b>	<b>419,428</b>	<b>746,023</b>
<b>Apparel</b>							
Junior Apparel	7,549	573	7,923	66.7%	22,308	1,518	23,826
Costume Jewelry	4,020	92	4,112	76.9%	17,329	437	17,766
Sportswear	28,046	1,989	30,035	67.5%	81,850	10,549	92,440
Special Sizes	9,604	648	10,252	67.4%	28,703	2,704	31,407
Outerwear	4,519	556	5,075	70.4%	14,583	2,542	17,125
Bras/Parties/Deywear	34,791	2,409	37,200	61.6%	91,399	5,479	96,879
Infants/Child Wear	17,474	1,432	18,900	67.6%	52,380	6,080	58,409
Dresses	1,968	394	3,362	73.6%	10,821	1,896	12,717
Mens Furnishings	12,631	1,606	14,237	65.1%	37,071	3,718	40,789
Children's Footwear	11,320	1,664	12,984	62.5%	31,477	3,185	34,662
Sleepwear/Robes	11,034	553	11,588	68.0%	33,911	2,258	36,170
Boys Wear	17,079	958	18,087	68.8%	54,081	3,728	57,809
Mens Sportswear	59,887	10,122	69,509	69.3%	188,395	37,696	226,091
Licensed Business Apparel	15,368	2,585	17,953	71.4%	50,470	12,217	62,687
Fine Jewelry	41,805	2,912	44,717	81.9%	243,238	3,596	246,774
Mens Dress Clothes	6,575	1,408	7,983	72.4%	26,945	1,964	28,930
Children's Hardlines	5,265	1,925	7,188	48.1%	8,601	5,248	13,849
Womens Shoes	16,575	3,164	19,739	72.9%	65,248	7,645	72,893
Mens Shoes	27,751	19,795	47,546	56.7%	76,530	33,199	109,730
Fragrance & Bath	8,857	66	8,924	45.8%	16,341	116	16,457
Hosiery	3,627	553	4,180	68.7%	12,296	1,040	13,335
Adult Athletics	14,863	2,834	17,696	58.0%	36,164	5,956	42,100
Girls Wear	13,458	1,286	14,744	71.7%	46,428	5,872	52,120
Handbags	9,947	639	10,587	72.0%	34,760	3,025	37,785
<b>Total Apparel</b>	<b>384,511</b>	<b>59,966</b>	<b>444,477</b>	<b>69.2%</b>	<b>1,281,191</b>	<b>161,559</b>	<b>1,442,750</b>
<b>General Merchandise</b>							
Sporting Goods	14,211	29,838	44,049	48.6%	33,776	52,001	85,777
Health And Beauty	419	66	486	51.0%	737	253	990
Toys	9,253	7,719	16,972	50.9%	15,745	18,854	34,599
<b>Total General Merchandise</b>	<b>23,884</b>	<b>37,523</b>	<b>61,507</b>	<b>49.3%</b>	<b>50,258</b>	<b>71,108</b>	<b>121,366</b>
<b>Miscellaneous</b>							
General Merchandise	285	491	775	58.0%	1,145	702	1,847
Miscellaneous	1,251	120	1,371	61.8%	3,126	462	3,587
<b>Total Miscellaneous</b>	<b>1,536</b>	<b>610</b>	<b>2,146</b>	<b>60.5%</b>	<b>4,271</b>	<b>1,154</b>	<b>5,454</b>
<b>Automotive</b>							
Automotive	94	-	94	61.3%	244	-	244
<b>Adjusted On-Hand Inventory (4)</b>	<b>\$668,160</b>	<b>\$365,915</b>	<b>1,034,075</b>	<b>62.0%</b>	<b>\$1,954,627</b>	<b>\$763,923</b>	<b>\$2,718,550</b>
Less: Return To Vendor Goods/Damages (Exhibit B-4)			(1,726)			(4,931)	
<b>Total On-Hand Adjusted Sears Inventory Before Markdowns</b>	<b>1,032,349</b>					<b>2,713,599</b>	
Less: Adjustments For Markdowns At Retail Only			N/A (3)			(207,500)	
Jewelry Markdown Adjustment At Retail Only			N/A (3)			(400,200)	
Non-Jewelry Markdown Adjustment At Retail Only			N/A (3)			(607,700)	
<b>Total Adjustments For Markdowns At Retail Only</b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>
<b>Total On-Hand Adjusted Inventory to be Included in The Sears</b>	<b>1,032,349</b>					<b>2,105,899</b>	
Full Line GOB Sale (4) (5)							
In-Transit Inventory to be Included in Sears Retail GOB Sale			38,736			106,383	
In-Transit Markdown Adjustment At Retail Only			N/A (3)			(23,624)	
Adjusted In-Transit Inventory to be Included in Sears Retail GOB Sale			38,736			82,559	
Total On-Hand Adjusted Inventory to be Included in The Sears							
Full Line GOB Sale (4) (5)							
\$1,071,085							
<b>\$2,188,458</b>							

## Note(s):

(1) Markup (MU) and computed retail supplied by Company.

(2) DC and store inventory includes pack-away inventory that is included in estimated GOB recoveries.

(3) N/A means Not Applicable.

(4) Percentages (%) and dollars (\$) may not add due to rounding.

(5) This Exhibit should be read in conjunction with the full written report.

Exhibit B-3b

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SEARS\_507B\_00001252

JX 020-40

**Exhibits | Inventory Appraisal**

**TIGER**

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**Sears Holdings Corporation**

**Sears Auto Centers (258 Stores)**

**Inventory to be Included in the Retail Store GOB Sale at Cost and Retail**

**As of December 1, 2018**

**(\$ in 000's)**

Classification	Inventory at Cost			MU (1) %	Inventory at Retail		
	Store \$	DC \$	Total \$		Store \$	DC \$	Total \$
<b>Automotive</b>							
Automotive	\$6,477	\$733	\$7,210	60.9%	\$16,715	\$1,733	\$18,449
Tires	29,190	7,426	36,616	42.5%	46,790	16,858	63,647
<b>Total Automotive</b>	<b>35,667</b>	<b>8,158</b>	<b>43,825</b>	<b>46.6%</b>	<b>63,505</b>	<b>18,591</b>	<b>82,096</b>
<b>Adjusted Inventory (3)</b>	<b>\$35,667</b>	<b>\$8,158</b>	<b>\$43,825</b>	<b>46.6%</b>	<b>\$63,505</b>	<b>\$18,591</b>	<b>\$82,096</b>
Less: Non-Jewelry Markdown Adjustment At Retail Only				N/A (2)			(12,950)
<b>Total Adjusted Inventory to be Included in The Sears Auto Center GOB Sale (3) (4)</b>				<b>\$43,825</b>			<b>\$69,146</b>

**Note(s):**

- (1) Markup (MU) supplied by the Company
- (2) N/A means Not Applicable.
- (3) Percentages (%) and dollars (\$) may not add due to rounding.
- (4) This Exhibit should be read in conjunction with the full written report.

SEARS\_507B\_00001253

Exhibit B-3c

JX 020-41

**Exhibits | Inventory Appraisal**

**TIGER**

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**Sears Holdings Corporation**

**Go-Forward Inventory**

**Inventory Classifications to be Sold On A Wholesale Basis**

**As of December 1, 2018**

**[ \$ in 000's ]**

Classification	Kmart Inventory		Sears Inventory		Total Inventory	
	Cost \$	Retail \$	Cost \$	Retail \$	Cost \$	Retail \$
Repair Parts	\$0	\$0	\$50,943	N/A (4)	\$50,943	N/A (4)
Sears Home Improvement	-	-	3,588	N/A (4)	3,588	N/A (4)
Prescription Pharmacy Inventory (1) (2)	27,448	N/A (4)	-	-	27,448	N/A (4)
Commercial Sales (Builders Distributors) (1)	-	-	26,723	N/A (4)	26,723	N/A (4)
RTV Damages (1) (3)	2,871	6,515	1,726	4,951	4,597	11,466
Restaurant Inventory (1)	236	N/A (4)	-	-	236	N/A (4)
<b>Total (5) (6)</b>	<b>\$30,555</b>		<b>\$82,981</b>		<b>\$113,536</b>	

**Note(s):**

- (1) These categories are carried in the stock ledger at cost only.
- (2) Prescription pharmacy inventory will be sold with prescription lists.
- (3) Retail was computed based on Company-supplied sales and margin information.
- (4) N/A means Not Applicable.
- (5) Percentages (%) and dollars (\$) may not add due to rounding.
- (6) This Exhibit should be read in conjunction with the full written report.

SEARS\_507B\_00001254

Exhibit B-4

JX 020-42

**Exhibits | Inventory Appraisal**

**TIGER**

**Sears Holdings Corporation**  
**Kmart Stores**  
**Tobacco & Alcohol**  
**Summary Of Estimated Gross Recovery Values**  
**As of December 1, 2018**  
(**\$** in 000s)

Classification	Inventory at Computed Retail (1) \$	Estimated Gross Recovery (2) % Of Retail	Estimated Gross Recovery \$
<b><u>Food And Consumables</u></b>			
Tobacco & Alcohol	\$1,722	90.0%	\$1,550
<b>Total (3) (4)</b>	<b>\$1,722</b>	<b>90.0%</b>	<b>\$1,550</b>

Note(s):

- (1) The Company maintains values for tobacco and alcohol inventory in the stock ledger system at cost. Retail was computed value based on Company-supplied sales and margin information.
- (2) Gross recoveries for the January Rollforward are included on Exhibit A-2a (Kmart Stores) for the purposes of determining net recoveries.
- (3) Percentages (%) and dollars (\$) may not add due to rounding.
- (4) This Exhibit should be read in conjunction with the full written report.

Exhibit B-5

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JX 020-43

**Exhibits | Inventory Appraisal**

**TIGER**

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**Sears Holdings Corporation**

**Estimated Net Recovery On Total Company Inventory Sold On A Wholesale Basis**

**As of December 1, 2018**

**(\$ in 000s)**

Classification	Inventory (1)		Net Recovery (2)	
	Cost \$	Retail \$	Cost %	\$
Repair Parts	\$50,943	N/A (4)	20.0%	\$10,189
Sears Home Improvement	3,588	N/A (4)	20.0%	718
Prescription Pharmacy Inventory (3)	27,448	N/A (4)	90.0%	24,704
Commercial Sales (Builders Distributors)	26,723	N/A (4)	20.0%	5,345
RTV Damages	4,597	11,466	15.0%	691
Restaurant Inventory	236	N/A (4)	5.0%	12
<b>Total (5) (6)</b>	<b>\$113,536</b>		<b>36.7%</b>	<b>\$41,659</b>

**Note(s):**

- (1) Inventory in stock ledger at cost only.
- (2) Recovery estimates are net of expenses.
- (3) Prescription Pharmacy inventory is assumed to be sold with prescription lists. Recovery shown for inventory only.
- (4) N/A means Not Applicable.
- (5) Percentages (%) and dollars (\$) may not add due to rounding.
- (6) This Exhibit should be read in conjunction with the full written report.

SEARS\_507B\_00001256

Exhibit B-6

JX 020-44

**Exhibits** | Inventory Appraisal

TIGER

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**Sears Holdings Corporation**

**Total Company**

**Operating Metrics**

12 Months Ending November 2018

( $\$$  in 000s)

Division Name	Net Sales		Gross Margin		Avg. Inv. at Cost		Inv. Turns	Days' Sales
	\$	% Total	\$	% of Net	\$	% Total		
Kmart Corporation	\$3,769,396	42.9%	\$1,059,636	28.1%	\$1,038,766	41.1%	2.6	140
Sears Full Line Stores	4,751,268	54.1%	1,261,349	26.5%	1,433,965	56.7%	2.4	150
Sears Auto Centers	268,202	3.1%	72,523	27.0%	56,198	2.2%	3.5	105
<b>Total (1) (2)</b>	<b>\$8,788,866</b>	<b>100.0%</b>	<b>\$2,393,508</b>	<b>27.2%</b>	<b>\$2,528,929</b>	<b>100.0%</b>	<b>2.5</b>	<b>144</b>

**Note(s):**

(1) Percentages (%) and dollars (\$) may not add due to rounding.

(2) This Exhibit should be read in conjunction with the full written report.

SEARS\_507B\_00001257

Exhibit C-1

JX 020-45

## Exhibits | Inventory Appraisal

TIGER

Sears Holdings Corporation Kmart Corporation Operating Metrics 12 Months Ending November 2018 (\$ in 000s)								
Classification	Net Sales		Gross Margin		Avg. Inv. at Cost		Inv. Turns	Days' Sales
	\$	% Total	\$	% of Net	\$	% Total		
<b>Home</b>								
Household Goods	\$214,303	5.7%	\$60,910	28.4%	\$137,883	13.3%	1.1	328
Outdoor Living	50,465	1.3%	9,801	19.4%	2,135	0.2%	19.0	19
Lawn & Garden	44,807	1.2%	7,881	17.6%	9,114	0.9%	4.1	90
Soft Home	212,933	5.6%	79,230	37.2%	-	-	N/A	N/A
Floormate, Sewing	54	0.0%	8	14.1%	-	-	N/A	N/A
<b>Total Home</b>	<b>522,562</b>	<b>13.9%</b>	<b>157,829</b>	<b>30.2%</b>	<b>149,132</b>	<b>14.4%</b>	<b>2.4</b>	<b>149</b>
<b>Hardlines</b>								
Hardware	64,534	1.7%	25,279	39.2%	18,143	1.7%	2.2	169
Home Entertainment	10,356	0.3%	2,387	23.0%	2,718	0.3%	2.9	124
Home Electronics	64,685	1.7%	13,809	21.3%	11,327	1.1%	4.5	81
Major Home Appliances	51,902	1.4%	14,456	27.9%	10,889	1.0%	3.4	106
Home Office	4	0.0%	(1)	(34.0%)	54	0.0%	N/A	N/A
Tools	215	0.0%	103	48.1%	156	0.0%	0.7	544
Cooking And Cleanup	3,150	0.1%	964	30.6%	566	0.1%	3.9	95
Laundry	5,921	0.2%	1,731	29.2%	858	0.1%	4.9	75
Water Treatment	0	0.0%	0	67.0%	65	0.0%	N/A	N/A
Food Storage	7,949	0.2%	1,807	22.7%	1,869	0.2%	3.3	111
Audio/Visual	242	0.0%	53	21.8%	169	0.0%	1.1	326
<b>Total Hardlines</b>	<b>208,937</b>	<b>5.3%</b>	<b>60,388</b>	<b>29.0%</b>	<b>46,825</b>	<b>4.3%</b>	<b>3.2</b>	<b>115</b>
<b>Apparel</b>								
Jewelry	62,131	1.6%	22,582	36.3%	27,702	2.7%	1.4	256
Womens	258,500	6.9%	83,630	32.4%	57,281	5.5%	3.1	120
Intimate & Acc.	142,979	3.8%	48,415	33.9%	59,380	5.7%	1.6	229
Kmart Footwear	190,772	5.1%	67,227	35.2%	63,905	6.2%	1.9	189
Off-Price Apparel	15,577	0.4%	727	4.7%	1,474	0.1%	10.1	36
Menswear	305,698	8.1%	87,557	28.6%	95,552	9.2%	2.3	160
Kidsworld	226,899	6.0%	65,253	28.8%	83,629	8.1%	1.9	189
Accessories	44,063	1.2%	17,395	39.5%	17,172	1.7%	1.6	235
<b>Total Apparel</b>	<b>1,246,619</b>	<b>33.1%</b>	<b>392,786</b>	<b>31.5%</b>	<b>406,075</b>	<b>39.1%</b>	<b>2.1</b>	<b>174</b>
<b>Drug Store</b>								
Beauty Care	171,905	4.6%	48,769	28.4%	56,058	5.4%	2.2	166
Stationery	49,786	1.3%	19,803	39.8%	11,305	1.1%	2.7	138
Cards, Wrap & Party	28,489	0.8%	16,248	57.0%	289	0.0%	42.3	9
Health Care	153,978	4.1%	49,397	32.1%	40,082	3.9%	2.6	140
<b>Total Drug Store</b>	<b>404,158</b>	<b>10.7%</b>	<b>134,217</b>	<b>33.2%</b>	<b>107,735</b>	<b>10.4%</b>	<b>2.5</b>	<b>146</b>
<b>Food &amp; Consumables</b>								
Consumables	227,472	6.0%	32,450	14.3%	52,499	5.1%	3.7	98
Edible	209,555	5.6%	19,423	9.3%	30,833	3.0%	6.2	59
Tobacco & Alcohol	11,904	0.3%	1,630	13.7%	1,686	0.2%	6.1	60
Readers Market	10,737	0.3%	3,095	28.8%	1,541	0.1%	5.0	74
Dry Grocery	464	0.0%	63	13.6%	-	-	N/A	N/A
Frozen And Dairy	138	0.0%	17	12.2%	-	-	N/A	N/A
Meat	160	0.0%	(6)	(4.0%)	-	-	N/A	N/A
Produce	53	0.0%	3	4.8%	-	-	N/A	N/A
Bakery	66	0.0%	0	0.3%	-	-	N/A	N/A
Delicatessen	43	0.0%	(5)	(12.4%)	-	-	N/A	N/A
Seafood	17	0.0%	5	32.8%	-	-	N/A	N/A
Floral	0	0.0%	1	N/A	-	-	N/A	N/A
<b>Total Food &amp; Consumables</b>	<b>460,608</b>	<b>12.2%</b>	<b>56,675</b>	<b>12.3%</b>	<b>86,560</b>	<b>8.3%</b>	<b>4.7</b>	<b>78</b>
<b>General Merchandise</b>								
Toys And Hobbies	257,314	6.8%	80,046	31.1%	118,549	11.4%	1.5	244
Seasonal	110,307	2.9%	37,042	33.6%	32,309	3.1%	2.3	161
Sport Gd Athletic	130,775	3.5%	44,481	34.0%	52,333	5.0%	1.6	221
Car Care	38,352	1.0%	13,122	34.2%	8,730	0.8%	2.9	126
Sporting Goods	87	0.0%	38	43.6%	-	-	N/A	N/A
<b>Total General Merchandise</b>	<b>536,836</b>	<b>14.2%</b>	<b>174,730</b>	<b>32.5%</b>	<b>211,921</b>	<b>20.4%</b>	<b>1.7</b>	<b>214</b>
<b>Pharmacy</b>								
Pharmacy	322,243	8.5%	81,037	18.9%	-	-	N/A	N/A
<b>Miscellaneous</b>								
Regional Merchandise	18,543	0.5%	4,989	26.9%	8,291	0.8%	1.6	223
Misc Business	45,940	1.2%	15,269	33.2%	-	-	N/A	N/A
Home Fashions	242	0.0%	129	53.1%	-	-	N/A	N/A
Gasoline	-	-	4	N/A	-	-	N/A	N/A
Miscellaneous	-	-	-	-	84	0.0%	N/A	N/A
<b>Total Miscellaneous</b>	<b>64,725</b>	<b>1.7%</b>	<b>20,391</b>	<b>31.5%</b>	<b>8,375</b>	<b>0.8%</b>	<b>5.3</b>	<b>89</b>
<b>Additional Kmart Divisions</b>								
RTW	1,458	0.0%	753	51.7%	6,946	0.7%	N/A	N/A
S Child Appls	170	0.0%	65	38.4%	1,226	0.1%	N/A	N/A
S Roy/Grl Ap	318	0.0%	197	61.8%	2,692	0.3%	N/A	N/A
Mens Apparel	743	0.0%	369	49.7%	11,280	1.1%	N/A	N/A
<b>Total Additional Kmart Divisions</b>	<b>2,689</b>	<b>0.1%</b>	<b>1,384</b>	<b>51.5%</b>	<b>22,143</b>	<b>2.1%</b>	<b>N/A</b>	<b>N/A</b>
<b>Total (1) (2)</b>	<b>\$3,769,396</b>	<b>100.0%</b>	<b>\$1,059,636</b>	<b>28.1%</b>	<b>\$1,038,766</b>	<b>100.0%</b>	<b>2.6</b>	<b>140</b>

## Notes:

- (1) Percentages (%) and dollars (\$) may not add due to rounding.  
(2) This Exhibit should be read in conjunction with the full written report.

Exhibit C-1a

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SEARS\_507B\_00001258

JX 020-46

## Exhibits | Inventory Appraisal

TIGER

## Sears Holdings Corporation

## Sears Full Line Stores

## Operating Metrics

12 Months Ending November 2018

(\$ in 000s)

Classification	Net Sales		Gross Margin		Avg. Inv. at Cost		Inv. Turns	Days' Sales
	\$	% Total	\$	% of Net	\$	% Total		
<b>Home</b>								
Housewares	\$58,025	1.2%	\$6,219	10.7%	\$25,041	1.7%	2.1	176
Nursery Stock	57	0.0%	0	0.2%	-	-	N/A	N/A
Luggage	14,232	0.3%	5,426	38.1%	5,302	0.4%	1.7	220
Floorcare, Sewing	77,711	1.6%	25,920	33.4%	29,349	2.0%	1.8	207
Window	7,210	0.2%	1,135	15.7%	2,110	0.1%	2.9	127
Custom Draperies	-	-	-	-	4,044	0.3%	N/A	N/A
Floor Coverings	1,494	0.0%	(518)	(34.7%)	401	0.0%	5.0	73
Lawn, Garden, Patio	349,064	7.3%	54,894	15.7%	96,053	6.8%	3.0	122
Mattresses	221,962	4.7%	103,467	46.6%	32,458	2.3%	3.7	100
Bed And Bath	80,135	1.7%	25,869	32.3%	30,823	2.1%	1.8	207
<b>Total Home</b>	<b>\$89,890</b>	<b>17.0%</b>	<b>222,413</b>	<b>27.5%</b>	<b>227,580</b>	<b>15.9%</b>	<b>2.6</b>	<b>141</b>
<b>Hardlines</b>								
Home Office	2,526	0.1%	90	3.6%	1,080	0.1%	2.3	162
Tools	421,153	8.9%	105,814	25.1%	157,457	11.0%	2.0	182
Cooking And Cleanup	358,747	7.6%	78,419	21.9%	84,850	5.9%	3.3	110
Laundry	481,782	10.1%	135,634	28.2%	90,128	6.3%	3.8	95
Paint	2,027	0.0%	196	9.7%	1,632	0.1%	1.1	325
Water Treatment	5,418	0.1%	2,507	46.3%	2,592	0.2%	1.1	325
Electrical Components	12,687	0.3%	3,004	23.7%	7,418	0.5%	1.3	280
Plumbing & Heating	47,029	1.0%	15,267	32.5%	16,519	1.2%	1.9	190
Food Storage	537,856	11.3%	74,259	13.8%	133,504	9.3%	3.5	105
Audio/Visual	12,522	0.3%	(901)	(7.2%)	6,307	0.4%	2.1	171
DVD	355	0.0%	60	16.9%	-	-	N/A	N/A
Bathrm Fixturs & Plumbing Acc	329	0.0%	[12]	(3.5%)	137	0.0%	2.5	147
<b>Total Hardlines</b>	<b>1,882,433</b>	<b>39.6%</b>	<b>414,337</b>	<b>22.0%</b>	<b>501,624</b>	<b>35.0%</b>	<b>2.9</b>	<b>125</b>
<b>Apparel</b>								
Junior Apparel	41,230	0.9%	8,282	20.1%	10,987	0.8%	3.0	122
Costume Jewelry	16,097	0.3%	5,623	34.9%	5,703	0.4%	1.8	199
Sportswear	185,081	3.9%	50,777	27.4%	41,649	2.9%	3.2	113
Special Sizes	63,316	1.3%	15,942	25.2%	14,217	1.0%	3.3	110
Outerwear	24,469	0.5%	7,404	30.3%	7,038	0.5%	2.4	151
Bras/Panties/Daywear	75,422	1.6%	21,931	29.1%	51,585	3.6%	1.0	352
Lands End Ready To Wear	81,930	1.7%	34,245	41.8%	-	-	N/A	N/A
Infants/Child Wear	71,737	1.5%	19,102	26.6%	26,217	1.8%	2.0	182
Dresses	16,773	0.4%	2,469	14.7%	4,662	0.3%	3.1	119
Mens Furnishings	63,549	1.3%	21,861	34.4%	19,743	1.4%	2.1	173
Children's Footwear	44,314	0.9%	10,825	24.4%	18,005	1.3%	1.9	196
Sleepwear/Robes	46,268	1.0%	13,849	29.9%	16,069	1.1%	2.0	181
Lands End Mens	15,032	0.3%	5,459	36.3%	-	-	N/A	N/A
Boys Wear	76,924	1.6%	23,670	30.8%	25,011	1.7%	2.1	171
Mens Sportswear	328,068	6.9%	97,627	29.8%	96,389	6.7%	2.4	153
Licensed Business Apparel	102,697	2.2%	29,730	28.9%	24,895	1.7%	2.9	125
Fine Jewelry	154,750	3.3%	55,369	35.8%	62,010	4.3%	1.6	228
Mens Dress Clothes	35,486	0.7%	14,999	42.3%	11,071	0.8%	1.9	197
Lands End Childrens	15,527	0.3%	5,079	32.7%	-	-	N/A	N/A
Children's Hardlines	12,686	0.3%	3,348	10.6%	9,968	0.7%	1.1	321
Womens Shoes	76,231	1.6%	20,929	27.5%	27,372	1.9%	2.0	181
Mens Shoes	171,216	3.6%	68,059	39.8%	65,933	4.6%	1.6	233
Fragrance & Bath	32,712	0.7%	6,735	20.6%	12,374	0.9%	2.1	174
Hosiery	16,295	0.3%	5,821	35.7%	5,796	0.4%	1.8	202
Adult Athletics	46,877	1.0%	11,254	24.0%	24,540	1.7%	1.5	251
Girls Wear	69,479	1.5%	17,572	25.3%	20,446	1.4%	2.5	144
Lands End Footwear	1,166	0.0%	1,051	90.1%	-	-	N/A	N/A
Handbags	50,682	1.1%	18,807	37.1%	14,681	1.0%	2.2	168
<b>Total Apparel</b>	<b>1,936,013</b>	<b>40.7%</b>	<b>595,854</b>	<b>30.8%</b>	<b>616,361</b>	<b>43.0%</b>	<b>2.2</b>	<b>168</b>
<b>General Merchandise</b>								
Sporting Goods	102,131	2.1%	25,085	24.6%	61,084	4.3%	1.3	289
Health And Beauty	221	0.0%	52	23.6%	673	0.0%	0.3	1,457
Toys	8,444	0.2%	1,007	11.9%	23,535	1.6%	0.3	1,155
Pantry And Household	400	0.0%	(585)	(146.2%)	-	-	N/A	N/A
<b>Total General Merchandise</b>	<b>111,196</b>	<b>2.3%</b>	<b>25,559</b>	<b>23.0%</b>	<b>85,292</b>	<b>5.9%</b>	<b>1.0</b>	<b>364</b>
<b>Miscellaneous</b>								
Furniture-In Store	3,894	0.1%	1,444	37.1%	-	-	N/A	N/A
General Merchandise	4,765	0.1%	861	18.1%	1,075	0.1%	3.6	100
Miscellaneous	1,214	0.0%	336	27.7%	1,901	0.1%	N/A	N/A
<b>Total Miscellaneous</b>	<b>9,873</b>	<b>0.2%</b>	<b>2,640</b>	<b>26.7%</b>	<b>2,976</b>	<b>0.2%</b>	<b>2.4</b>	<b>150</b>
<b>Automotive</b>								
Automotive	1,862	0.0%	545	29.2%	131	0.0%	10.1	36
<b>Total (1) (2)</b>	<b>\$4,751,268</b>	<b>100.0%</b>	<b>\$1,261,349</b>	<b>26.5%</b>	<b>\$1,433,965</b>	<b>100.0%</b>	<b>2.4</b>	<b>150</b>

Note(s):

(1) Percentages (%) and dollars (\$) may not add due to rounding.

(2) This Exhibit should be read in conjunction with the full written report.

Exhibit C-1b

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JX 020-47

HIGHLY CONFIDENTIAL

**Sears Holdings Corporation**

**Sears Auto Centers**

**Operating Metrics**

12 Months Ending November 2018

(\$ in 000s)

Classification	Net Sales		Gross Margin		Avg. Inv. at Cost		Inv. Turns	Days' Sales
	\$	% Total	\$	% of Net	\$	% Total		
<b>Automotive</b>								
Automotive	\$128,845	48.0%	\$54,889	42.6%	\$9,245	16.5%	8.0	46
Tires	139,357	52.0%	17,634	12.7%	46,953	83.5%	2.6	141
<b>Total (1) (2)</b>	<b>\$268,202</b>	<b>100.0%</b>	<b>\$72,523</b>	<b>27.0%</b>	<b>\$56,198</b>	<b>100.0%</b>	<b>3.5</b>	<b>105</b>

**Note(s):**

- (1) Percentages (%) and dollars (\$) may not add due to rounding.  
(2) This Exhibit should be read in conjunction with the full written report.

SEARS\_507B\_00001260

Exhibit C-1c

JX 020-48

**Exhibits**

| Inventory Appraisal

**TIGER**

HIGHLY CONFIDENTIAL

**Sears Holdings Corporation**

**Total Company**

**Operating Metrics Comparison**

12 Months Ending November 2018 vs. October 2018

(*\$* in 000s)

Division Name	Net Sales \$						Gross Margin %			Inventory Turnover			Days' Sales in Inventory		
	Nov 2018		Oct 2018		Change		Nov 2018	Oct 2018	Pct. Pt. Chg.	Nov 2018	Oct 2018	Chg.	Nov 2018	Oct 2018	Days Chg.
	\$	% of Total	\$	% of Total	\$	% of Total									
Kmart Corporation	\$3,769,396	42.9%	\$3,895,902	42.9%	(\$126,506)	(0.1%)	28.1%	28.2%	(0.1%)	2.6	2.6	0.0	140	141	(1)
Sears Full Line Stores	4,751,268	54.1%	4,893,623	53.9%	(142,355)	0.1%	26.5%	26.2%	0.4%	2.4	2.4	0.0	150	150	(0)
Sears Auto Centers	268,202	3.1%	281,716	3.1%	(13,514)	(0.1%)	27.0%	27.9%	(0.8%)	3.5	3.4	0.1	105	106	(2)
<b>Total (1) (2)</b>	<b>\$8,788,866</b>	<b>100.0%</b>	<b>\$9,071,242</b>	<b>100.0%</b>	<b>(\$282,375)</b>	<b>-</b>	<b>27.2%</b>	<b>27.1%</b>	<b>0.1%</b>	<b>2.5</b>	<b>2.5</b>	<b>0.0</b>	<b>144</b>	<b>145</b>	<b>(1)</b>

Note(s):

- (1) Percentages (%) and dollars (\$) may not add due to rounding.
- (2) This Exhibit should be read in conjunction with the full written report.

SEARS\_507B\_00001261

Exhibit C-2

JX 020-49

## Exhibits | Inventory Appraisal

TIGER

**Sears Holdings Corporation**  
**Kmart Corporation**  
**Operating Metrics Comparison**  
**12 Months Ending November 2018 vs. October 2018**  
(\$ in 000s)

Classification	Net Sales \$						Gross Margin %			Inventory Turnover			Days' Sales in Inventory		
	Nov 2018		Oct 2018		Change		Nov	Oct	Pct. Pt.	Nov	Oct	Chg.	Nov	Oct	Days
	\$	% of Total	\$	% of Total	\$	% of Total	2018	2018	Chg.	2018	2018	Chg.	2018	2018	Chg.
<b>Home</b>															
Household Goods	\$214,303	5.7%	\$220,513	5.7%	(\$6,210)	0.0%	28.4%	28.4%	0.1%	1.1	1.2	(0.0)	328	315	13
Outdoor Living	50,465	1.3%	51,131	1.3%	(666)	0.0%	19.4%	19.2%	0.2%	19.0	18.9	0.2	19	19	(0)
Lawn & Garden	44,807	1.2%	44,874	1.2%	(67)	0.0%	17.6%	16.7%	0.8%	4.1	4.0	0.0	90	91	(1)
Soft Home	212,933	5.6%	220,423	5.7%	(7,489)	(0.0%)	37.2%	37.3%	(0.0%)	N/A	N/A	N/A	N/A	N/A	N/A
Floorcare, Sewing	54	0.0%	30	0.0%	24	0.0%	14.1%	22.1%	(8.0%)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Home</b>	<b>522,562</b>	<b>13.9%</b>	<b>536,971</b>	<b>13.8%</b>	<b>(14,409)</b>	<b>0.1%</b>	<b>30.2%</b>	<b>30.2%</b>	<b>0.0%</b>	<b>2.4</b>	<b>2.5</b>	<b>(0.1)</b>	<b>149</b>	<b>144</b>	<b>5</b>
<b>Hardlines</b>															
Hardware	64,534	1.7%	66,937	1.7%	(2,403)	(0.0%)	39.2%	39.4%	(0.2%)	2.2	2.1	0.0	169	171	(2)
Home Entertainment	10,356	0.3%	11,196	0.3%	(840)	(0.0%)	23.0%	20.5%	2.5%	2.9	3.0	(0.0)	124	123	2
Home Electronics	64,685	1.7%	70,378	1.8%	(5,693)	(0.1%)	21.3%	20.6%	0.7%	4.5	4.3	0.2	81	84	(3)
Major Home Appliances	51,902	1.4%	54,421	1.4%	(2,519)	(0.0%)	27.9%	27.2%	0.6%	3.4	3.6	(0.1)	106	102	4
Home Office	4	0.0%	5	0.0%	(1)	(0.0%)	(34.0%)	(36.8%)	2.7%	N/A	N/A	N/A	N/A	N/A	N/A
Tools	215	0.0%	201	0.0%	14	0.0%	48.1%	47.3%	0.8%	0.7	0.7	(0.1)	544	501	43
Cooking And Cleanup	3,150	0.1%	3,022	0.1%	128	0.0%	30.6%	30.7%	(0.1%)	3.9	3.6	0.3	95	102	(7)
Laundry	5,921	0.2%	5,921	0.2%	(0)	0.0%	29.2%	27.9%	1.3%	4.9	5.0	(0.1)	75	73	2
Food Storage	7,949	0.2%	7,617	0.2%	332	0.0%	22.7%	22.7%	0.0%	3.3	3.5	(0.2)	111	104	7
Audio/Visual	242	0.0%	149	0.0%	93	0.0%	21.8%	25.3%	(3.5%)	1.1	0.4	0.7	326	831	(505)
<b>Total Hardlines</b>	<b>208,957</b>	<b>5.5%</b>	<b>219,847</b>	<b>5.6%</b>	<b>(10,891)</b>	<b>(0.1%)</b>	<b>29.0%</b>	<b>28.4%</b>	<b>0.6%</b>	<b>3.2</b>	<b>3.2</b>	<b>0.0</b>	<b>115</b>	<b>116</b>	<b>(0)</b>
<b>Apparel</b>															
Jewelry	62,131	1.6%	64,131	1.6%	(2,000)	0.0%	36.3%	36.5%	(0.2%)	1.4	1.5	(0.1)	256	247	9
Womens	258,500	6.9%	267,355	6.9%	(8,855)	(0.0%)	32.4%	33.3%	(1.0%)	3.1	2.9	0.1	120	124	(5)
Intimate & Acc.	142,979	3.8%	146,025	3.7%	(3,046)	0.0%	33.9%	34.2%	(0.4%)	1.6	1.6	0.0	229	232	(2)
Kmart Footwear	190,772	5.1%	195,247	5.0%	(4,475)	0.0%	35.2%	35.2%	0.1%	1.9	1.8	0.1	189	199	(10)
Off-Price Apparel	15,577	0.4%	17,527	0.4%	(1,949)	(0.0%)	4.7%	0.08	(0.03)	10.1	5.5	4.5	36	66	(30)
Menswear	305,698	8.1%	316,111	8.1%	(10,413)	(0.0%)	28.6%	29.4%	(0.7%)	2.3	2.2	0.0	160	162	(3)
Kidsworld	226,899	6.0%	238,884	6.1%	(11,986)	(0.1%)	28.8%	29.1%	(0.3%)	1.9	1.9	(0.0)	189	188	1
Accessories	44,063	1.2%	44,979	1.2%	(916)	0.0%	39.5%	38.6%	0.9%	1.6	1.7	(0.1)	235	220	15
<b>Total Apparel</b>	<b>1,246,619</b>	<b>33.1%</b>	<b>1,290,258</b>	<b>33.1%</b>	<b>(43,640)</b>	<b>(0.0%)</b>	<b>31.5%</b>	<b>32.0%</b>	<b>(0.4%)</b>	<b>2.1</b>	<b>2.1</b>	<b>0.0</b>	<b>174</b>	<b>176</b>	<b>(3)</b>
<b>Drug Store</b>															
Beauty Care	171,905	4.6%	175,342	4.5%	(3,237)	0.1%	28.4%	28.5%	(0.1%)	2.2	2.2	(0.0)	166	166	0
Stationery	49,786	1.3%	51,528	1.3%	(1,741)	(0.0%)	35.8%	40.6%	(0.8%)	2.7	2.6	0.0	138	139	(2)
Cards, Wrap & Party	28,489	0.8%	29,190	0.7%	(701)	0.0%	57.0%	57.2%	(0.2%)	42.3	64.4	(22.1)	9	6	3
Health Care	153,978	4.1%	157,057	4.0%	(3,079)	0.1%	32.1%	31.9%	0.1%	2.6	2.6	(0.0)	140	139	1
<b>Total Drug Store</b>	<b>404,158</b>	<b>10.7%</b>	<b>412,916</b>	<b>10.6%</b>	<b>(8,758)</b>	<b>0.1%</b>	<b>33.2%</b>	<b>33.4%</b>	<b>(0.1%)</b>	<b>2.5</b>	<b>2.5</b>	<b>(0.0)</b>	<b>146</b>	<b>145</b>	<b>1</b>
<b>Food &amp; Consumables</b>															
Consumables	227,472	6.0%	233,947	6.0%	(6,476)	0.0%	14.3%	14.6%	(0.4%)	3.7	3.7	0.0	98	99	(1)
Edible	209,555	5.6%	219,401	5.6%	(9,846)	(0.1%)	9.3%	9.4%	(0.1%)	6.2	6.2	(0.1)	59	59	1
Tobacco & Alcohol	11,904	0.3%	12,239	0.3%	(336)	0.0%	13.7%	13.9%	(0.2%)	6.1	5.8	0.3	60	63	(3)
Readers Market	10,737	0.3%	11,216	0.3%	(479)	0.0%	28.8%	27.1%	1.8%	5.0	5.1	(0.1)	74	72	2
Dry Grocery	464	0.0%	575	0.0%	(111)	(0.0%)	13.6%	14.2%	(0.7%)	N/A	N/A	N/A	N/A	N/A	N/A
Frozen And Dairy	138	0.0%	180	0.0%	(41)	(0.0%)	12.2%	13.3%	(1.1%)	N/A	N/A	N/A	N/A	N/A	N/A
Meat	160	0.0%	209	0.0%	(49)	(0.0%)	(4.0%)	(0.8%)	(3.1%)	N/A	N/A	N/A	N/A	N/A	N/A
Produce	53	0.0%	71	0.0%	(18)	(0.0%)	4.8%	7.0%	(2.2%)	N/A	N/A	N/A	N/A	N/A	N/A
Bakery	66	0.0%	84	0.0%	(18)	(0.0%)	0.3%	(7.8%)	8.2%	N/A	N/A	N/A	N/A	N/A	N/A
Delicatessen	43	0.0%	54	0.0%	(11)	(0.0%)	(12.4%)	(14.3%)	1.5%	N/A	N/A	N/A	N/A	N/A	N/A
Seafood	17	0.0%	20	0.0%	(3)	(0.0%)	32.8%	37.4%	(4.7%)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Food &amp; Consumables</b>	<b>460,608</b>	<b>12.2%</b>	<b>477,995</b>	<b>12.3%</b>	<b>(17,388)</b>	<b>(0.0%)</b>	<b>12.3%</b>	<b>12.5%</b>	<b>(0.2%)</b>	<b>4.7</b>	<b>4.7</b>	<b>(0.0)</b>	<b>78</b>	<b>78</b>	<b>0</b>
<b>General Merchandise</b>															
Toys And Hobbies	257,314	6.8%	263,214	6.8%	(5,900)	0.1%	31.1%	30.9%	0.3%	1.5	1.6	(0.1)	244	232	12
Seasonal	110,307	2.9%	111,304	2.9%	(96)	0.1%	33.6%	31.8%	1.8%	2.3	1.7	0.6	161	213	(52)
Sport Gd Athletic	130,775	3.5%	133,891	3.4%	(3,117)	0.0%	34.0%	34.0%	(0.0%)	1.6	1.8	(0.1)	221	205	17
Car Care	38,352	1.0%	39,360	1.0%	(1,008)	0.0%	34.2%	34.2%	(0.0%)	2.9	2.6	0.3	126	139	(13)
Sporting Goods	87	0.0%	77	0.0%	10	0.0%	43.6%	41.7%	1.9%	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total General Merchandise</b>	<b>536,836</b>	<b>14.2%</b>	<b>547,846</b>	<b>14.1%</b>	<b>(11,011)</b>	<b>0.2%</b>	<b>32.5%</b>	<b>32.1%</b>	<b>0.5%</b>	<b>1.7</b>	<b>1.7</b>	<b>0.0</b>	<b>214</b>	<b>215</b>	<b>(2)</b>
<b>Pharmacy</b>															
Pharmacy	322,243	8.5%	339,924	8.7%	(17,681)	(0.2%)	18.9%	19.1%	(0.2%)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Miscellaneous</b>															
Regional Merchandise	18,543	0.5%	18,775	0.5%	(232)	0.0%	26.9%	26.0%	0.9%	1.6	1.7	(0.0)	223	220	3
Misc Business	45,940	1.2%	48,602	1.2%	(2,662)	(0.0%)	33.2%	33.3%	(0.1%)	N/A	N/A	N/A	N/A	N/A	N/A
Home Fashions	242	0.0%	212	0.0%	30	0.0%	53.1%	53.4%	(0.3%)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Miscellaneous</b>	<b>64,725</b>	<b>1.7%</b>	<b>67,589</b>	<b>1.7%</b>	<b>(2,864)</b>	<b>(0.0%)</b>	<b>31.5%</b>	<b>31.4%</b>	<b>0.1%</b>	<b>5.3</b>	<b>5.5</b>	<b>(0.2)</b>	<b>69</b>	<b>67</b>	<b>2</b>
<b>Additional Kmart Divisions</b>															
RTW	1,458	0.0%	1,390	0.0%	68	0.0%	51.7%	51.0%	0.7%	N/A	N/A	N/A	N/A	N/A	N/A
S Child Appl	170	0.0%	172	0.0%	(2)	0.0%	38.4%	37.1%	1.3%	N/A	N/A	N/A	N/A	N/A	N/A
S Bay/Grl Ap	318	0.0%	302	0.0%	17	0.0%	61.8%	62.6%	(0.9%)	N/A	N/A	N/A	N/A	N/A	N/A
Mens Apparel	743	0.0%	691	0.0%	52	0.0%	49.7%	50.5%	(0.8%)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Additional Kmart Divisions</b>	<b>2,689</b>	<b>0.1%</b>	<b>2,555</b>	<b>0.1%</b>	<b>134</b>	<b>0.0%</b>	<b>51.5%</b>	<b>51.3%</b>	<b>0.2%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Total (1) (2)</b>	<b>\$3,769,396</b>	<b>100.0%</b>	<b>\$3,895,902</b>	<b>100.0%</b>	<b>(\$126,506)</b>	-	<b>28.1%</b>	<b>28.2%</b>	<b>(0.1%)</b>	<b>2.6</b>	<b>2.6</b>	<b>0.0</b>	<b>140</b>	<b>141</b>	<b>(1)</b>

Note(s):

(1) Percentages (%) and dollars (\$) may not add due to rounding.

(2) This Exhibit should be read in conjunction with the full written report.

Exhibit C-2a

## Exhibits | Inventory Appraisal

TIGER

## Sears Holdings Corporation

## Sears Full Line Stores

## Operating Metrics Comparison

12 Months Ending November 2018 vs. October 2018

(\$ in 000s)

Classification	Net Sales \$						Gross Margin %			Inventory Turnover			Days' Sales in Inventory		
	Nov 2018		Oct 2018		Change		Nov 2018	Oct 2018	Pct. Pt. Chg.	Nov 2018	Oct 2018	Chg.	Nov 2018	Oct 2018	Days Chg.
	\$	% of Total	\$	% of Total	\$	% of Total									
<b>Home</b>															
Housewares	\$58,025	1.2%	\$59,574	1.2%	(\$1,549)	0.0%	10.7%	10.6%	0.1%	2.1	2.1	[0.0]	176	176	0
Nursery Stock	57	0.0%	58	0.0%	(1)	0.0%	0.2%	(6.8%)	7.0%	N/A	N/A	N/A	N/A	N/A	N/A
Luggage	14,232	0.3%	14,200	0.3%	32	0.0%	38.1%	38.7%	(0.6%)	1.7	1.5	0.2	220	248	(28)
Florcare, Sewing	77,711	1.6%	81,139	1.7%	(3,428)	(0.0%)	33.4%	33.4%	(0.0%)	1.8	1.7	0.1	207	218	(11)
Window	7,210	0.2%	7,480	0.2%	(270)	(0.0%)	15.7%	13.4%	2.4%	2.9	2.5	0.4	127	145	(18)
Floor Coverings	1,494	0.0%	1,483	0.0%	11	0.0%	(34.7%)	(32.0%)	(2.7%)	5.0	3.3	1.8	73	112	(39)
Lawn, Garden, Patio	349,064	7.3%	355,415	7.3%	(6,351)	0.1%	15.7%	15.6%	0.2%	3.0	2.7	0.3	122	135	(14)
Mattresses	221,962	4.7%	231,989	4.7%	(10,026)	(0.1%)	46.5%	47.1%	(0.5%)	3.7	3.4	0.2	100	106	(6)
Bed And Bath	80,135	1.7%	80,087	1.6%	48	0.1%	32.3%	31.2%	1.1%	1.8	1.6	0.2	207	233	(26)
<b>Total Home</b>	<b>809,890</b>	<b>17.0%</b>	<b>831,425</b>	<b>17.0%</b>	<b>(21,535)</b>	<b>0.1%</b>	<b>27.5%</b>	<b>27.5%</b>	<b>(0.1%)</b>	<b>2.6</b>	<b>2.4</b>	<b>0.2</b>	<b>141</b>	<b>154</b>	<b>(13)</b>
<b>Hardlines</b>															
Home Office	2,526	0.1%	2,840	0.1%	(314)	(0.0%)	3.6%	1.0%	2.5%	2.3	2.4	[0.1]	162	155	7
Tools	421,153	8.9%	438,874	9.0%	(17,722)	(0.1%)	25.1%	24.9%	0.2%	2.0	2.1	[0.1]	182	175	8
Cooking And Cleanup	358,747	7.6%	386,272	7.9%	(27,525)	(0.3%)	21.9%	21.5%	0.4%	3.3	3.7	[0.4]	110	100	11
Laundry	481,782	10.1%	511,155	10.4%	(29,373)	(0.3%)	28.2%	27.2%	1.0%	3.8	5.1	[1.3]	95	71	24
Paint	2,027	0.0%	2,167	0.0%	(140)	(0.0%)	9.7%	8.8%	0.8%	1.1	1.1	(0.0)	325	320	5
Water Treatment	5,418	0.1%	5,778	0.1%	(360)	(0.0%)	46.3%	40.4%	5.9%	1.1	1.2	[0.1]	325	305	20
Electrical Components	12,687	0.3%	13,119	0.3%	(432)	(0.0%)	23.7%	22.4%	1.3%	1.3	1.2	0.1	280	295	(15)
Plumbing & Heating	47,029	1.0%	47,160	1.0%	(131)	0.0%	32.5%	32.4%	0.1%	1.9	1.7	0.2	190	209	(19)
Food Storage	537,856	11.3%	565,234	11.6%	(27,378)	(0.2%)	13.8%	13.6%	0.2%	3.5	4.3	(0.9)	105	84	21
Audio/Visual	12,522	0.3%	13,252	0.3%	(730)	(0.0%)	(7.2%)	(9.4%)	2.2%	2.1	1.7	0.4	171	209	(38)
DVD	355	0.0%	364	0.0%	(8)	0.0%	16.9%	14.7%	2.2%	N/A	N/A	N/A	N/A	N/A	N/A
Bathroom Fixtures & Plumbing Acc	329	0.0%	337	0.0%	(8)	0.0%	(3.5%)	(5.4%)	1.9%	2.5	2.3	0.2	147	158	(11)
<b>Total Hardlines</b>	<b>1,882,433</b>	<b>39.6%</b>	<b>1,986,554</b>	<b>40.6%</b>	<b>(104,121)</b>	<b>(1.0%)</b>	<b>22.0%</b>	<b>21.5%</b>	<b>0.5%</b>	<b>2.9</b>	<b>3.3</b>	<b>(0.4)</b>	<b>125</b>	<b>109</b>	<b>15</b>
<b>Apparel</b>															
Junior Apparel	41,230	0.9%	41,011	0.8%	219	0.0%	20.1%	19.5%	0.6%	3.0	2.5	0.5	122	145	(23)
Costume Jewelry	16,097	0.3%	15,959	0.3%	138	0.0%	34.9%	33.5%	1.4%	1.8	1.7	0.1	199	213	(15)
Sportswear	185,081	3.9%	189,374	3.9%	(4,293)	0.0%	27.4%	27.5%	(0.1%)	3.2	2.9	0.4	113	128	(15)
Special Sizes	63,316	1.3%	66,112	1.4%	(2,796)	(0.0%)	25.2%	25.8%	(0.7%)	3.3	3.1	0.2	110	116	(6)
Outerwear	24,469	0.5%	24,122	0.5%	347	0.0%	30.3%	33.7%	(3.4%)	2.4	1.9	0.5	151	194	(44)
Bras/Panties/Daywear	75,422	1.6%	74,199	1.5%	1,223	0.1%	29.1%	28.7%	0.4%	1.0	1.0	0.1	352	382	(30)
Lands End Ready To Wear	81,930	1.7%	85,522	1.7%	(3,592)	(0.0%)	41.8%	39.8%	2.0%	N/A	N/A	N/A	N/A	N/A	N/A
Infants/Child Wear	71,737	1.5%	72,100	1.5%	(363)	0.0%	26.5%	26.8%	(0.2%)	2.0	2.0	(0.0)	182	179	3
Dresses	15,773	0.4%	17,209	0.4%	(436)	0.0%	14.7%	14.7%	(0.0%)	3.1	3.3	[0.2]	119	111	8
Mens Furnishings	63,549	1.3%	63,365	1.3%	184	0.0%	34.4%	34.3%	0.1%	2.1	1.9	0.2	173	191	(18)
Children's Footwear	44,314	0.9%	43,914	0.9%	400	0.0%	24.4%	25.2%	(0.8%)	1.9	1.5	0.4	196	246	(50)
Sleepwear/Robes	46,268	1.0%	45,750	0.9%	518	0.0%	29.9%	29.7%	0.3%	2.0	1.8	0.3	181	207	(27)
Lands End Mens	15,032	0.3%	15,583	0.3%	(551)	(0.0%)	36.3%	36.1%	0.2%	N/A	N/A	N/A	N/A	N/A	N/A
Boys Wear	76,924	1.6%	78,446	1.6%	(1,522)	0.0%	30.8%	31.2%	(0.5%)	2.1	2.0	0.2	171	187	(16)
Mens Sportswear	328,068	6.9%	330,208	6.7%	(2,141)	0.2%	29.8%	30.3%	(0.5%)	2.4	2.2	0.1	153	163	(10)
Licensed Business Apparel	102,697	2.2%	105,322	2.2%	(2,625)	0.0%	28.9%	27.8%	1.2%	2.9	3.0	(0.1)	125	121	4
Fine Jewelry	154,750	3.3%	149,521	3.1%	5,229	0.2%	35.8%	33.2%	2.5%	1.6	1.4	0.2	228	253	(25)
Mens Dress Clothes	35,486	0.7%	35,353	0.7%	133	0.0%	42.3%	42.1%	0.2%	1.9	1.5	0.3	197	240	(43)
Lands End Childrens	15,527	0.3%	16,048	0.3%	(521)	(0.0%)	32.7%	33.1%	(0.3%)	N/A	N/A	N/A	N/A	N/A	N/A
Children's Hardlines	12,686	0.3%	12,527	0.3%	159	0.0%	10.6%	10.8%	0.1%	1.1	1.1	0.0	321	330	(9)
Womens Shoes	76,231	1.6%	75,942	1.6%	288	0.1%	27.5%	26.4%	1.0%	2.0	1.8	0.3	181	208	(28)
Mens Shoes	171,216	3.6%	172,901	3.5%	(1,685)	0.1%	39.8%	39.8%	(0.0%)	1.6	1.6	0.0	233	234	(1)
Fragrance & Bath	32,712	0.7%	34,789	0.7%	(2,078)	(0.0%)	20.6%	19.4%	1.2%	2.1	2.0	0.1	174	179	(5)
Hosiery	15,295	0.3%	15,867	0.3%	429	0.0%	35.7%	35.7%	0.1%	1.8	1.6	0.2	202	224	(22)
Adult Athletics	46,877	1.0%	46,743	1.0%	134	0.0%	24.0%	23.9%	0.1%	1.5	1.3	0.1	251	277	(25)
Girls Wear	69,479	1.5%	71,388	1.5%	(1,909)	0.0%	25.3%	26.3%	(1.0%)	2.5	2.5	0.1	144	148	(4)
Lands End Footwear	1,166	0.0%	1,434	0.0%	(268)	(0.0%)	90.1%	81.7%	8.4%	N/A	N/A	N/A	N/A	N/A	N/A
Handbags	50,682	1.1%	50,480	1.0%	202	0.0%	37.1%	36.2%	1.0%	2.2	2.1	0.0	168	171	(3)
<b>Total Apparel</b>	<b>1,936,013</b>	<b>40.7%</b>	<b>1,951,190</b>	<b>39.9%</b>	<b>(15,177)</b>	<b>0.9%</b>	<b>30.8%</b>	<b>30.5%</b>	<b>0.3%</b>	<b>2.2</b>	<b>2.0</b>	<b>0.2</b>	<b>168</b>	<b>180</b>	<b>(12)</b>
<b>General Merchandise</b>															
Sporting Goods	102,131	2.1%	106,025	2.2%	(3,894)	(0.0%)	24.6%	25.2%	(0.7%)	1.3	1.2	0.0	289	301	(12)
Health And Beauty	221	0.0%	197	0.0%	24	0.0%	23.6%	26.7%	(3.1%)	0.3	0.2	0.0	1,457	1,713	(256)
Toys	8,444	0.2%	6,067	0.1%	2,377	0.1%	11.9%	5.6%	6.4%	0.3	0.2	0.1	1,155	1,698	(543)
Pantry And Household	400	0.0%	440	0.0%	(40)	(0.0%)	(146.2%)	(136.6%)	(9.6%)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total General Merchandise</b>	<b>111,196</b>	<b>2.3%</b>	<b>112,728</b>	<b>2.3%</b>	<b>(1,533)</b>	<b>0.0%</b>	<b>23.0%</b>	<b>23.5%</b>	<b>(0.6%)</b>	<b>1.0</b>	<b>0.9</b>	<b>0.1</b>	<b>364</b>	<b>393</b>	<b>(29)</b>
<b>Miscellaneous</b>															
Furniture-In Store	3,894	0.1%	4,169	0.1%	(275)	(0.0%)	37.1%	35.1%	1.9%	N/A	N/A	N/A	N/A	N/A	N/A
General Merchandise	4,765	0.1%	4,594	0.1%	171	0.0%	18.1%	19.2%	(1.1%)	3.6	2.6	1.1	100	142	(41)
Miscellaneous	1,214	0.0%	923	0.0%	291	0.0%	27.7%	(18.8%)	46.5%	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Miscellaneous</b>	<b>9,873</b>	<b>0.2%</b>	<b>9,686</b>	<b>0.2%</b>	<b>188</b>	<b>0.0%</b>	<b>26.7%</b>	<b>22.4%</b>	<b>4.3%</b>	<b>2.4</b>	<b>2.1</b>	<b>0.4</b>	<b>150</b>	<b>177</b>	<b>(26)</b>
<b>Automotive</b>															
Automotive	1,862	0.0%	2,040	0.0%	(178)	(0.0%)	29.2%	29.2%	0.0%	10.1	7.7	2.3	36	47	(11)
<b>Total (1) (2)</b>	<b>\$4,751,268</b>	<b>100.0%</b>	<b>\$4,893,623</b>	<b>100.0%</b>	<b>(\$142,355)</b>	<b>-</b>	<b>26.5%</b>	<b>26.2%</b>	<b>0.4%</b>	<b>2.4</b>	<b>2.4</b>	<b>0.0</b>	<b>150</b>	<b>150</b>	<b>(0)</b>

Note(s):

(1) Percentages (%) and dollars (\$) may not add due to rounding.

(2) This Exhibit should be read in conjunction with the full written report.

Exhibit C-2b

**Exhibits** | Inventory Appraisal

**TIGER**

Classification	Net Sales \$						Gross Margin %			Inventory Turnover			Days' Sales in Inventory		
	Nov 2018		Oct 2018		Change		Nov 2018	Oct 2018	Pct. Pt. Chg.	Nov 2018	Oct 2018	Chg.	Nov 2018	Oct 2018	Days Chg.
	\$	% of Total	\$	% of Total	\$	% of Total									
<b>Automotive</b>															
Automotive	\$128,845	48.0%	\$134,952	47.9%	(\$6,108)	0.1%	42.6%	42.9%	(0.3%)	8.0	7.9	0.0	46	46	(0)
Tires	139,357	52.0%	146,764	52.1%	(7,407)	(0.1%)	12.7%	14.0%	(1.4%)	2.6	2.5	0.0	141	143	(3)
<b>Total (1) (2)</b>	<b>\$268,202</b>	<b>100.0%</b>	<b>\$281,716</b>	<b>100.0%</b>	<b>(\$13,514)</b>	<b>-</b>	<b>27.0%</b>	<b>27.9%</b>	<b>(0.8%)</b>	<b>3.5</b>	<b>3.4</b>	<b>0.1</b>	<b>105</b>	<b>106</b>	<b>(2)</b>

Note(s):

(1) Percentages (%) and dollars (\$) may not add due to rounding.

(2) This Exhibit should be read in conjunction with the full written report.

SEARS\_507B\_00001264

Exhibit C-2c

JX 020-52

TIGER

Exhibits | Inventory Appraisal

HIGHLY CONFIDENTIAL

Sears Holdings Corporation

Total Company

Net Sales Seasonality

For the 12 Months Ending November 2018

(\$ in 000s)

Month	For the 12 Months Ended November 2018				
	Sales \$	No. of Stores	No. of Weeks	Sales Per Store Week	
				\$	% to Total
December 2017	\$1,375,746	1,468	5	\$187.4	11.8%
January 2018	758,162	1,428	5	106.2	6.7%
February	642,709	1,419	4	113.2	7.1%
March	755,311	1,412	5	107.0	6.8%
April	557,178	1,310	4	106.3	6.7%
May	681,260	1,287	4	132.3	8.4%
June	836,631	1,276	5	131.1	8.3%
July	607,777	1,213	4	125.3	7.9%
August	606,073	1,181	4	128.3	8.1%
September	655,469	1,095	5	119.7	7.6%
October	572,323	1,072	4	133.5	8.4%
November 2018	740,227	957	4	193.4	12.2%
<b>Total (1) (2)</b>	<b>\$8,788,866</b>		<b>53</b>	<b>\$1,583.8</b>	<b>100.0%</b>
<b>Average</b>	<b>\$732,406</b>	<b>1,267</b>		<b>\$132.0</b>	

Note(s):

- (1) Percentages (%) and dollars (\$) may not add due to rounding.  
(2) This Exhibit should be read in conjunction with the full written report.

Source(s):

- "Item 34 - GM by Div by Month Nov 2018" report and  
"Item 35 - Sales by Store - 12 months ended P10FY18" report.

Exhibit D

JX 020-53

SEARS\_507B\_00001265

HIGHLY CONFIDENTIAL

**Sears Holdings Corporation**

**Kmart Corporation**

**Net Sales Seasonality & Comparable Store Sales Trend**

For the 12 Months Ending November 2018 vs. 2017

(\$ in 000s)

Month	For the 12 Months Ended November 2018					Comparable Store Sales (1)			
	Sales \$	No. of Stores	No. of Weeks	Sales Per Store Week		Comp. Sales \$	Change		
				\$	% to Total	TY	LY	\$	%
December	\$646,882	432	5	\$299.5	13.3%	\$310,128	\$362,155	(\$52,027)	(14.4%)
January	329,724	432	5	152.7	6.8%	162,957	150,720	12,237	(13.5%)
February	275,965	432	4	159.7	7.1%	131,653	148,901	(17,248)	(11.6%)
March	322,279	429	5	150.2	6.7%	178,754	197,027	(18,273)	(9.3%)
April	227,534	365	4	155.8	6.9%	142,512	173,452	(30,941)	(17.8%)
May	261,449	364	4	179.6	8.0%	161,005	173,556	(12,551)	(7.2%)
June	351,266	363	5	193.5	8.6%	216,357	227,503	(11,146)	(4.9%)
July	264,341	360	4	183.6	8.2%	158,931	177,179	(18,248)	(10.3%)
August	249,654	356	4	175.3	7.8%	154,522	157,725	(3,203)	(2.0%)
September	277,782	339	5	163.9	7.3%	175,470	174,461	1,009	0.6%
October	255,855	332	4	192.7	8.6%	149,958	158,005	(8,047)	(5.1%)
November	306,666	317	4	241.9	10.8%	183,616	200,439	(16,823)	(8.4%)
<b>Total (2) (3)</b>	<b>\$3,769,396</b>		<b>53</b>	<b>\$2,248.3</b>	<b>100.0%</b>	<b>\$2,125,862</b>	<b>\$2,301,124</b>	<b>(\$175,262)</b>	<b>(9.4%)</b>
<b>Average</b>	<b>\$314,116</b>		<b>379</b>		<b>\$187.4</b>		<b>\$40,111</b>	<b>\$44,252</b>	<b>(\$4,142)</b>

<b>6-Month Trend:</b>	<b>\$1,038,854</b>	<b>\$1,095,313</b>	<b>(\$56,459)</b>	<b>(5.2%)</b>
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Note(s):

(1) Comparable store sales represent go-forward locations only.

(2) Percentages (%) and dollars (\$) may not add due to rounding.

(3) This Exhibit should be read in conjunction with the full written report.

Source(s):

"Item 34 - GM by Div by Month Nov 2018" report and "Item 35 - Sales by Store - 12 months ended P10FY18" report.

SEARS\_507B\_00001266

Exhibit D-1a

JX 020-54

**Exhibits**

| Inventory Appraisal

**TIGER**

HIGHLY CONFIDENTIAL

**Sears Holdings Corporation**  
**Sears Full Line Stores**  
**Net Sales Seasonality & Comparable Store Sales Trend**  
**For the 12 Months Ending November 2018 vs. 2017**  
 (\$ in 000s)

Month	For the 12 Months Ended November 2018 (1)					Comparable Store Sales (1) (2)			
	Sales \$	No. of Stores	No. of Weeks	Sales Per Store Week		Comp. Sales \$	Change		
				\$	% to Total	TY	LY	\$	%
December	\$693,036	574	5	\$241.5	11.0%	\$325,474	\$397,762	(\$72,288)	(18.2%)
January	400,002	551	5	145.2	6.6%	182,105	174,456	7,649	(16.5%)
February	346,503	550	4	157.5	7.2%	155,247	179,971	(24,724)	(13.7%)
March	407,129	547	5	148.9	6.8%	192,807	226,665	(33,858)	(14.9%)
April	309,794	509	4	152.2	6.9%	156,685	186,933	(30,248)	(16.2%)
May	399,455	509	4	196.2	8.9%	195,592	200,698	(5,106)	(2.5%)
June	460,549	507	5	181.7	8.3%	221,435	261,852	(40,417)	(15.4%)
July	324,145	486	4	166.7	7.6%	156,252	181,047	(24,795)	(13.7%)
August	337,385	471	4	179.1	8.2%	172,677	173,108	(432)	(0.2%)
September	354,883	414	5	171.4	7.8%	198,335	222,764	(24,429)	(11.0%)
October	300,632	413	4	182.0	8.3%	147,984	156,292	(8,308)	(5.3%)
November	417,754	382	4	273.4	12.5%	228,635	266,071	(37,435)	(14.1%)
<b>Total (3) (4)</b>	<b>\$4,751,268</b>		<b>53</b>	<b>\$2,195.7</b>	<b>100.0%</b>	<b>\$2,333,228</b>	<b>\$2,627,618</b>	<b>(\$294,390)</b>	<b>(12.9%)</b>
<b>Average</b>	<b>\$395,939</b>		<b>495</b>		<b>\$183.0</b>		<b>\$44,023</b>	<b>\$50,531</b>	<b>(\$6,508)</b>

6-Month Trend:	\$1,125,317	\$1,261,134	(\$135,817)	(10.8%)
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Note(s):

- (1) Sales, store count and comparable store sales include Grand/Essentials stores.
- (2) Comparable store sales represent go-forward locations only.
- (3) Percentages (%) and dollars (\$) may not add due to rounding.
- (4) This Exhibit should be read in conjunction with the full written report.

Source(s):

"Item 34 - GM by Div by Month Nov 2018" report and "Item 35 - Sales by Store - 12 months ended P10FY18" report.

Exhibit D-1b

SEARS\_507B\_00001267

JX 020-55

HIGHLY CONFIDENTIAL

**Sears Holdings Corporation**

**Sears Auto Centers**

**Net Sales Seasonality & Comparable Store Sales Trend**

For the 12 Months Ending November 2018 vs. 2017

(\$ in 000s)

Month	For the 12 Months Ended November 2018						Comparable Store Sales (1)			
	Sales \$	No. of Stores	No. of Weeks	Sales Per Store Week		Comp. Sales \$	Change			
				\$	% to Total	TY	LY	\$	%	
December	\$35,828	462	5	\$15.5	10.0%	\$17,646	\$22,152	(\$4,506)	(20.3%)	
January	28,436	445	5	12.8	8.2%	14,659	13,434	1,224	(12.7%)	
February	20,242	437	4	11.6	7.5%	10,678	12,462	(1,784)	(14.3%)	
March	25,903	436	5	11.9	7.7%	13,844	16,196	(2,352)	(14.5%)	
April	19,850	436	4	11.4	7.3%	10,968	12,887	(1,920)	(14.9%)	
May	20,356	414	4	12.3	7.9%	11,652	13,010	(1,357)	(10.4%)	
June	24,816	406	5	12.2	7.9%	14,724	16,556	(1,832)	(11.1%)	
July	19,291	367	4	13.1	8.5%	11,691	13,105	(1,415)	(10.8%)	
August	19,034	354	4	13.4	8.7%	11,981	12,556	(575)	(4.6%)	
September	22,804	342	5	13.3	8.6%	14,725	15,345	(620)	(4.0%)	
October	15,836	327	4	12.1	7.8%	10,706	12,914	(2,209)	(17.1%)	
November	15,807	258	4	15.3	9.9%	11,871	14,685	(2,815)	(19.2%)	
<b>Total (2) (3)</b>	<b>\$268,202</b>		<b>53</b>	<b>\$155.0</b>	<b>100.0%</b>	<b>\$155,144</b>	<b>\$175,302</b>	<b>(\$20,158)</b>	<b>(13.2%)</b>	
<b>Average</b>	<b>\$22,350</b>		<b>393</b>		<b>\$12.9</b>		<b>\$2,927</b>	<b>\$3,371</b>	<b>(\$444)</b>	
						<b>6-Month Trend:</b>	<b>\$75,697</b>	<b>\$85,162</b>	<b>(\$9,464)</b>	<b>(13.1%)</b>

Note(s):

(1) Comparable store sales represent go-forward locations only.

(2) Percentages (%) and dollars (\$) may not add due to rounding.

(3) This Exhibit should be read in conjunction with the full written report.

Source(s):

"Item 34 - GM by Div by Month Nov 2018" report and "Item 35 - Sales by Store - 12 months ended P10FY18" report.

Exhibit D-1c

SEARS\_507B\_00001268

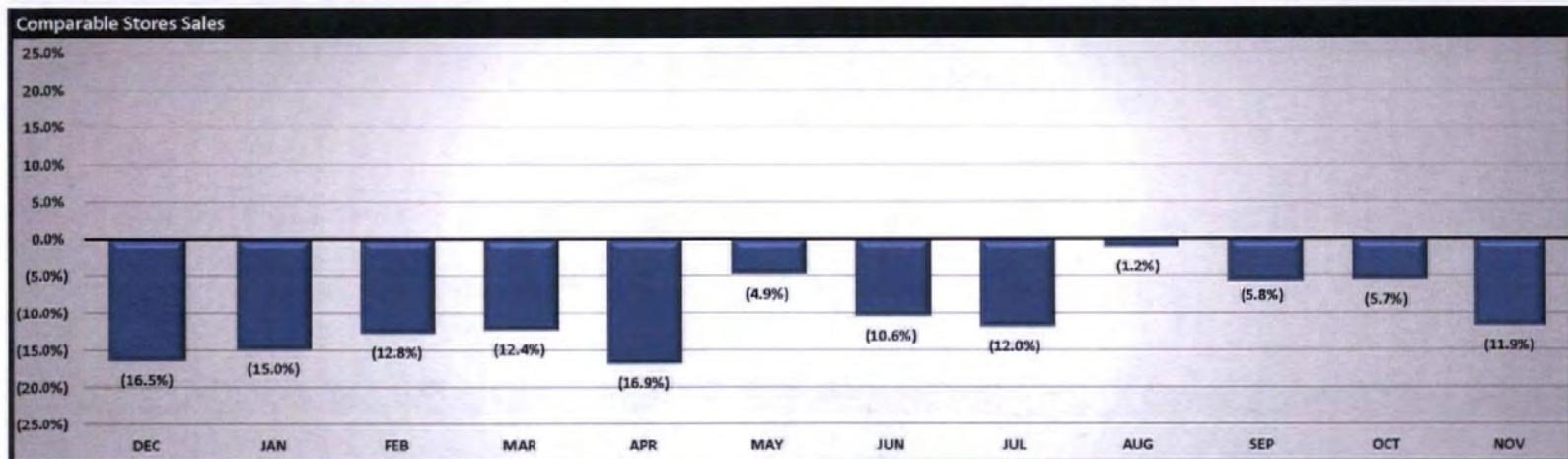
JX 020-56

HIGHLY CONFIDENTIAL | Exhibits | Inventory Appraisal

TIGER

Sears Holdings Corporation  
Total Company

12 Months Ending November 2018 vs. November 2017  
(\$ in 000s)



SEARS\_507B\_00001269

Exhibit D-2

JX 020-57

Exhibits | Inventory Appraisal

TIGER

Sears Holdings Corporation

Kmart Corporation

12 Months Ending November 2018 vs. November 2017

(\$ in 000s)

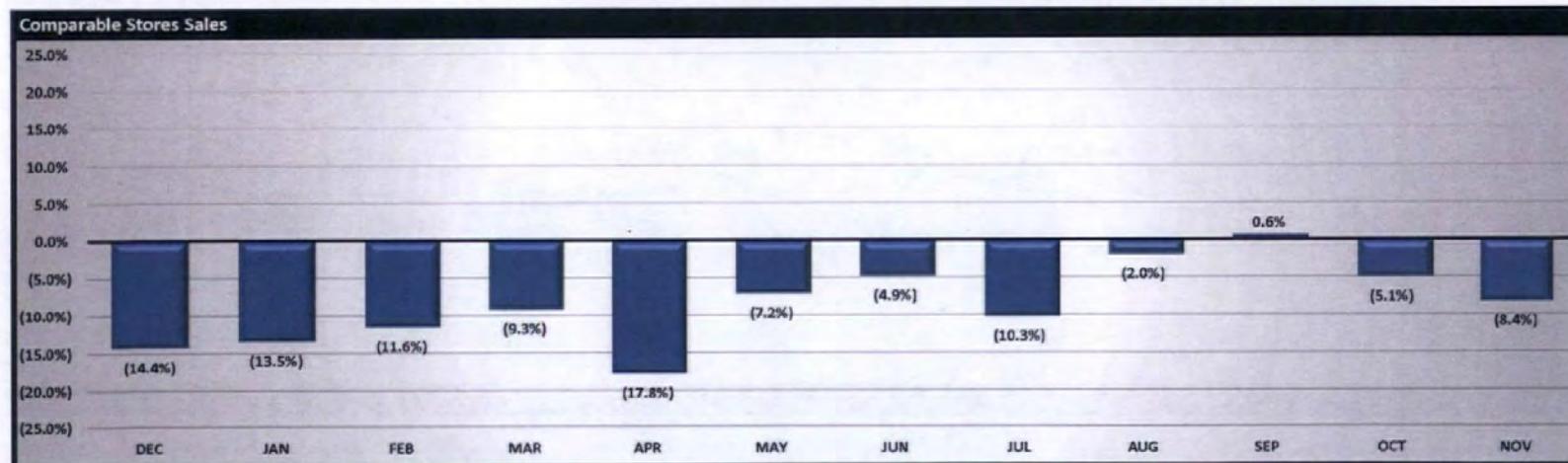
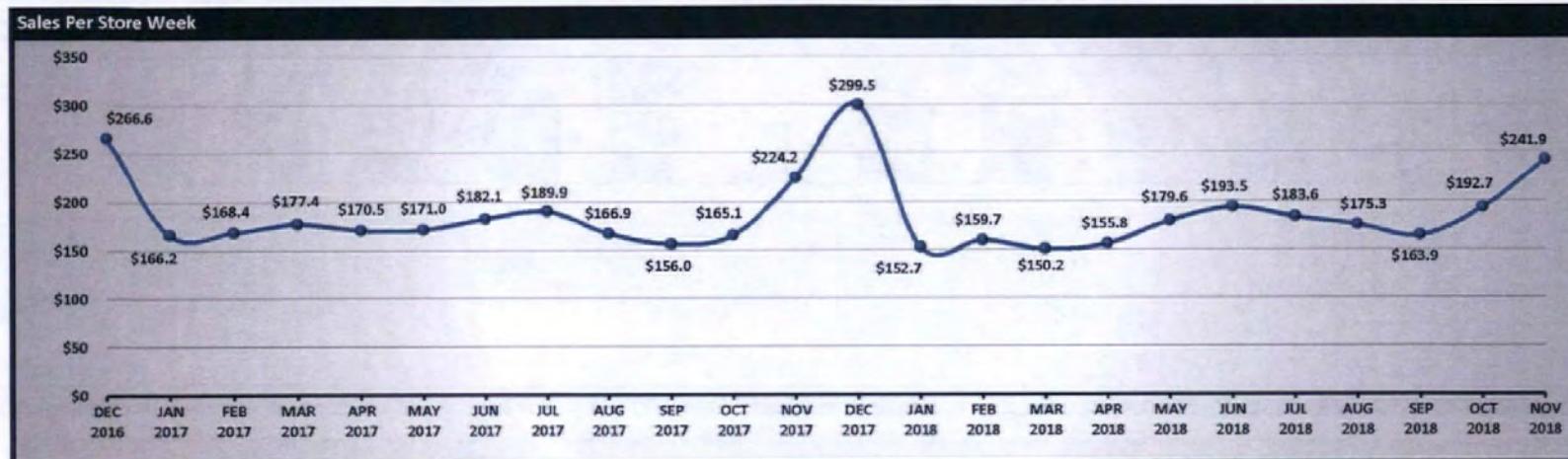


Exhibit D-2a

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SEARS\_507B\_00001270

JX 020-58

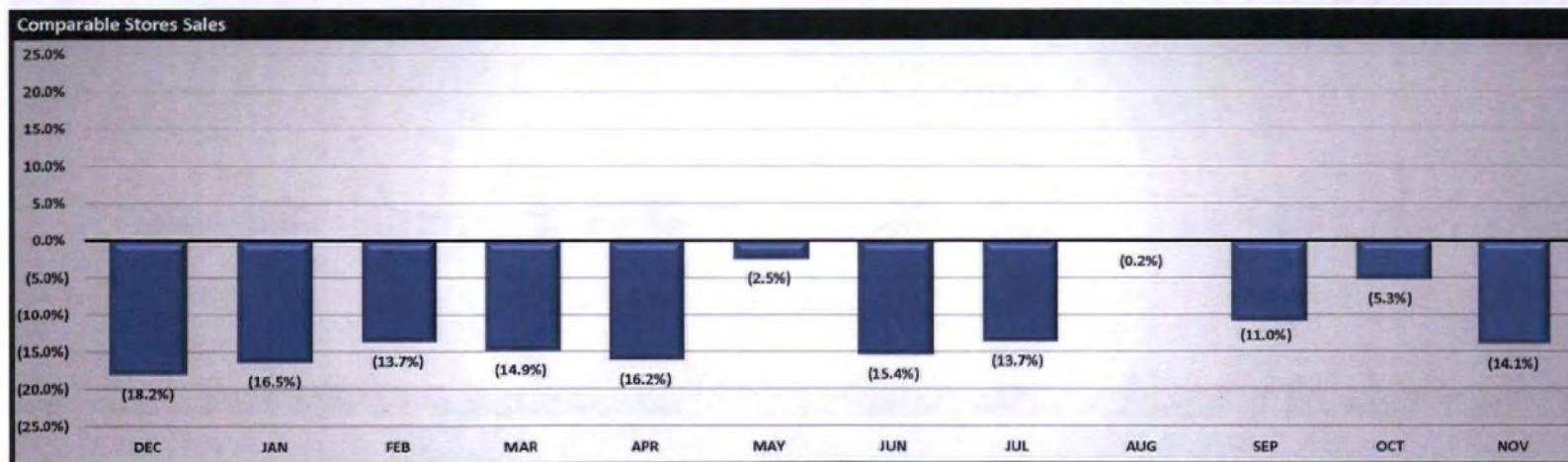
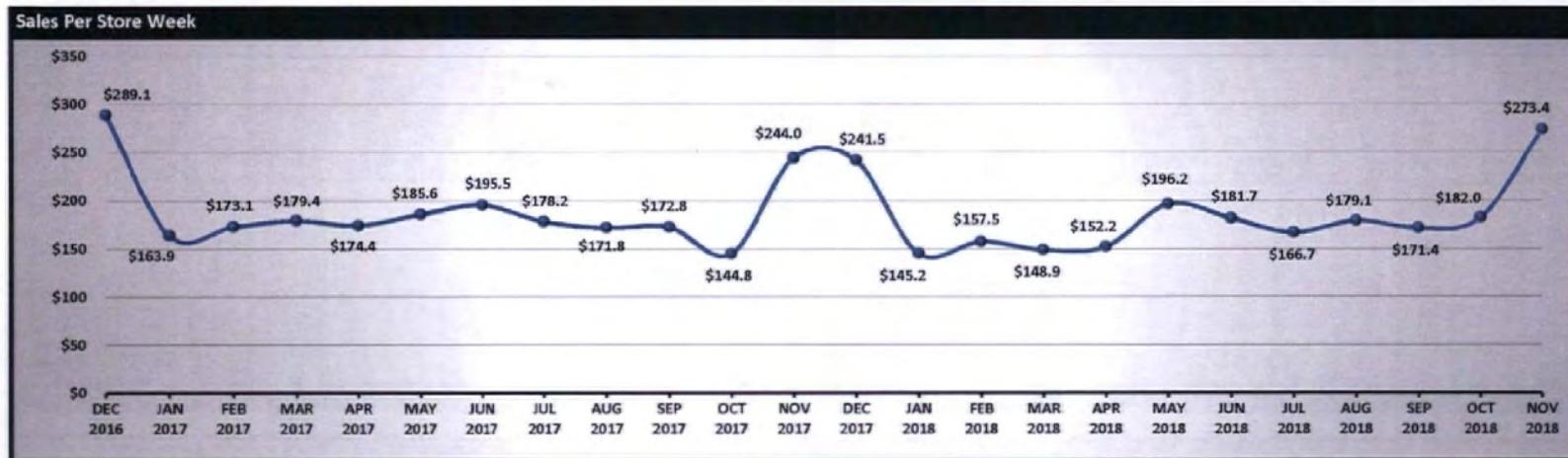
TIGER

Exhibits | Inventory Appraisal

HIGHLY CONFIDENTIAL

Sears Holdings Corporation  
Sears Full Line Stores

12 Months Ending November 2018 vs. November 2017  
(\$ in 000s)



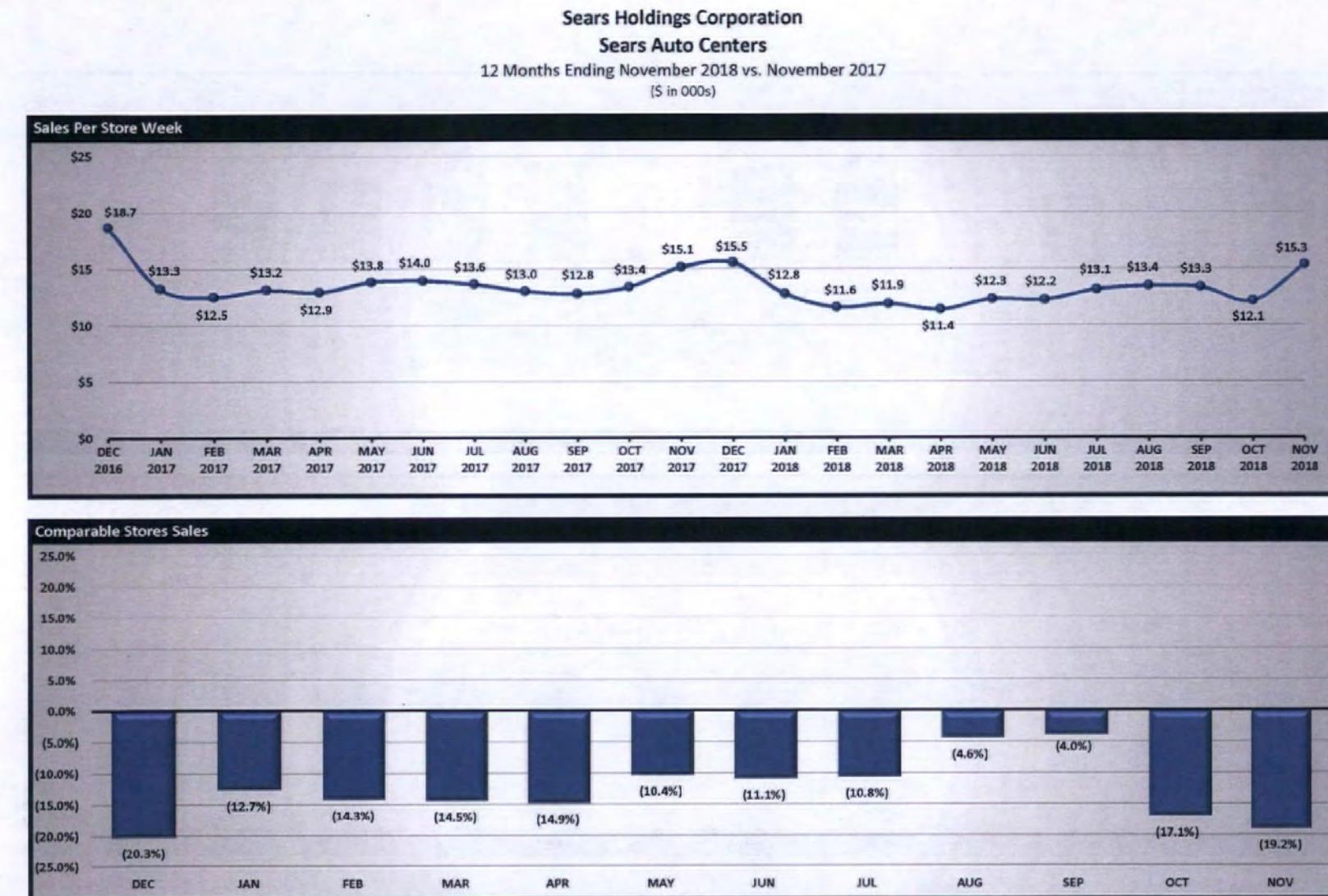
SEARS\_507B\_00001271

Exhibit D-2b

JX 020-59

TIGER

Exhibits | Inventory Appraisal



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SEARS\_507B\_00001272

Exhibit D-2c

JX 020-60

**Exhibits | Inventory Appraisal**

**TIGER**

**Sears Holdings Corporation**  
**Total Company**  
**Inventory History**  
For the 12 Months Ending November 2018 vs. 2017  
(\$ in 000s)

Month	12 Months Ending November 2018 (1) (2) (3)											
	Kmart Corporation				Sears Full Line Stores				Sears Auto Centers			
	Inventory at Cost	No. of Stores	Cost Inv. Per Store	Cost \$ % to Avg.	Inventory at Cost	No. of Stores	Cost Inv. Per Store	Cost \$ % to Avg.	Inventory at Cost	No. of Stores	Cost Inv. Per Store	Cost \$ % to Avg.
December 2017	\$1,128,286	432	\$2,612	94.7%	\$1,551,855	574	\$2,704	92.9%	\$70,233	462	\$152	105.6%
January 2018	1,126,045	432	2,607	94.5%	1,503,664	551	2,729	93.8%	68,125	445	153	106.3%
February	1,089,989	432	2,523	91.5%	1,502,967	550	2,733	93.9%	64,743	437	148	102.9%
March	1,075,241	429	2,506	90.9%	1,532,933	547	2,802	96.3%	61,224	436	140	97.5%
April	1,059,301	365	2,902	105.3%	1,556,809	509	3,059	105.1%	62,150	436	143	99.0%
May	1,041,894	364	2,862	103.8%	1,523,984	509	2,994	102.9%	59,648	414	144	100.1%
June	1,030,025	363	2,838	102.9%	1,467,215	507	2,894	99.4%	57,970	406	143	99.2%
July	1,052,359	360	2,923	106.0%	1,430,941	486	2,944	101.2%	54,583	367	149	103.3%
August	1,056,315	356	2,967	107.6%	1,395,244	471	2,962	101.8%	51,651	354	146	101.3%
September	1,052,187	339	3,104	112.6%	1,391,071	414	3,360	115.5%	46,308	342	135	94.0%
October	945,180	332	2,847	103.3%	1,227,004	413	2,971	102.1%	42,078	327	129	89.4%
November 2018	808,373	317	2,550	92.5%	1,123,887	382	2,942	101.1%	35,667	258	138	96.0%
Average	\$1,038,766	377	\$2,757	100.0%	\$1,433,965	493	\$2,910	100.0%	\$56,198	390	\$144	100.0%

Month	12 Months Ending November 2017 (1) (2) (3)											
	Kmart Corporation				Sears Full Line Stores				Sears Auto Centers			
	Inventory at Cost	No. of Stores	Cost Inv. Per Store	Cost \$ % to Avg.	Inventory at Cost	No. of Stores	Cost Inv. Per Store	Cost \$ % to Avg.	Inventory at Cost	No. of Stores	Cost Inv. Per Store	Cost \$ % to Avg.
December 2016	\$1,855,405	799	\$2,322	92.4%	\$2,012,085	674	\$2,985	99.1%	\$69,756	622	\$112	87.4%
January 2017	1,793,366	735	2,440	97.1%	1,997,264	672	2,972	98.7%	69,044	620	111	86.8%
February	1,690,382	734	2,303	91.6%	1,995,802	669	2,983	99.0%	68,851	587	117	91.4%
March	1,668,956	629	2,653	105.6%	1,952,831	636	3,070	101.9%	69,637	586	119	92.6%
April	1,632,860	624	2,617	104.1%	1,978,218	628	3,150	104.6%	68,257	583	117	91.2%
May	1,593,008	623	2,557	101.8%	1,997,303	627	3,185	105.8%	69,837	533	131	102.1%
June	1,510,979	619	2,441	97.1%	1,906,336	626	3,045	101.1%	69,389	522	133	103.6%
July	1,442,700	610	2,365	94.1%	1,793,449	622	2,883	95.7%	68,542	506	135	105.6%
August	1,446,037	602	2,402	95.6%	1,754,720	617	2,844	94.4%	68,264	499	137	106.6%
September	1,468,539	547	2,685	106.8%	1,699,005	582	2,919	96.9%	70,068	490	143	111.4%
October	1,451,934	510	2,847	113.3%	1,740,286	574	3,032	100.7%	72,449	485	149	116.4%
November 2017	1,330,811	483	2,755	109.6%	1,766,220	574	3,077	102.2%	72,286	485	149	116.2%
Average	\$1,573,748	626	\$2,513	100.0%	\$1,882,793	625	\$3,012	100.0%	\$69,698	543	\$128	100.0%

Month	Change (1) (2) (3)											
	Kmart Corporation				Sears Full Line Stores				Sears Auto Centers			
	Inventory at Cost	No. of Stores	Cost Inv. Per Store	Cost \$ % Chg.	Inventory at Cost	No. of Stores	Cost Inv. Per Store	Cost \$ % Chg.	Inventory at Cost	No. of Stores	Cost Inv. Per Store	Cost \$ % Chg.
December	(\$727,119)	(367)	\$290	12.5%	(\$460,229)	(100)	(\$282)	(9.4%)	\$476	(160)	\$40	35.6%
January	(667,320)	(303)	167	6.8%	(493,600)	(121)	(243)	(8.2%)	(918)	(175)	42	37.5%
February	(600,393)	(302)	220	9.6%	(492,835)	(119)	(251)	(8.4%)	(4,108)	(150)	31	26.3%
March	(593,716)	(200)	(347)	(5.5%)	(419,898)	(89)	(268)	(8.7%)	(8,413)	(150)	22	18.2%
April	(573,559)	(259)	285	10.9%	(421,410)	(119)	(91)	(2.9%)	(6,107)	(147)	25	21.8%
May	(551,114)	(259)	305	11.9%	(473,319)	(118)	(191)	(6.0%)	(10,189)	(119)	13	10.0%
June	(480,954)	(256)	397	16.2%	(439,121)	(119)	(151)	(5.0%)	(11,419)	(116)	10	7.4%
July	(390,341)	(250)	558	23.6%	(362,508)	(136)	61	2.1%	(13,959)	(139)	13	9.8%
August	(389,722)	(246)	565	23.5%	(359,476)	(146)	118	4.2%	(16,613)	(145)	9	6.7%
September	(416,352)	(208)	419	15.6%	(307,934)	(168)	441	15.1%	(23,760)	(148)	(8)	[5.3%]
October	(506,754)	(178)	(0)	(0.0%)	(513,282)	(161)	(61)	(2.0%)	(30,371)	(158)	(21)	(13.9%)
November	(522,438)	(166)	(205)	(7.4%)	(642,333)	(192)	(135)	(4.4%)	(36,619)	(227)	(11)	(7.2%)
Average	(\$534,982)	(250)	\$244	9.7%	(\$448,829)	(132)	(\$102)	(3.4%)	(\$13,500)	(153)	\$16	12.2%

**Note(s):**

- (1) Inventory levels are shown prior to adjustments.
- (2) Percentages (%) and dollars (\$) may not add due to rounding.
- (3) This Exhibit should be read in conjunction with the full written report.

**Source(s):**

"Item 13, 15, 16 - InvatCostbyDivbyMonthOct18" report.

Exhibit E

HIGHLY CONFIDENTIAL

SEARS\_507B\_00001273

JX 020-61

TIGER

**Exhibits | Inventory Appraisal**

HIGHLY CONFIDENTIAL

Sears Holdings Corporation Total Company Inventory Forecast For the 12 Months Ending November 2019 (\$ in 000s)												
Classification	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019
<b>Domestic Stock Ledger Inventory</b>	\$1,788,750	\$1,713,070	\$1,650,867	\$1,593,909	\$1,608,012	\$1,508,642	\$1,592,589	\$1,603,851	\$1,724,921	\$1,857,500	\$1,950,900	\$1,929,440
<b>Less: Excluded Inventory</b>												
Unshipped Merchandise	66,000	65,000	67,000	67,000	67,000	92,000	92,000	67,000	67,000	67,000	67,000	97,000
Consignment	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Home Services 50%	56,267	56,703	56,703	56,703	56,703	56,703	56,703	56,703	56,703	56,703	56,703	56,703
Acctng & misc.	5,218	5,218	5,218	5,218	5,218	5,218	5,218	5,218	5,218	5,218	5,218	5,218
<b>Total Excluded Inventory</b>	<b>129,685</b>	<b>129,120</b>	<b>131,120</b>	<b>131,120</b>	<b>131,120</b>	<b>156,120</b>	<b>156,120</b>	<b>131,120</b>	<b>131,120</b>	<b>131,120</b>	<b>131,120</b>	<b>161,120</b>
<b>Stock ledger net of Exclusions</b>	<b>\$1,659,065</b>	<b>\$1,583,950</b>	<b>\$1,519,746</b>	<b>\$1,462,789</b>	<b>\$1,476,892</b>	<b>\$1,452,522</b>	<b>\$1,436,469</b>	<b>\$1,472,731</b>	<b>\$1,593,801</b>	<b>\$1,726,379</b>	<b>\$1,819,779</b>	<b>\$1,768,320</b>
<b>Less: Inventory not to be included in Retail Store GOB</b>												
Ocean In-Transit	60,000	75,000	87,059	92,237	73,444	94,758	127,034	147,882	170,002	143,564	125,874	98,335
Less: Decon to DC inventory	(4,850)	(6,790)	(5,820)	(5,820)	(8,730)	(8,730)	(8,730)	(8,730)	(15,520)	(17,460)	(17,460)	(17,460)
Repair Parts	49,091	49,526	49,526	49,526	49,526	49,526	49,526	49,526	49,526	49,526	49,526	49,526
Sears Home Improvement	3,588	3,588	3,588	3,588	3,588	3,588	3,588	3,588	3,588	3,588	3,588	3,588
Pharmacy	24,833	23,692	23,692	23,692	23,692	23,692	23,692	23,692	23,692	23,692	23,692	23,692
Commercial Sales (includes Industrial Tools)	105	105	105	105	105	105	105	105	105	105	105	105
Builder Distributors	28,861	28,256	28,256	28,256	28,256	28,256	28,256	28,256	28,256	28,256	28,256	28,256
RTV/Damages	4,182	4,182	4,182	4,182	4,182	4,182	4,182	4,182	4,182	4,182	4,182	4,182
Restaurant	236	236	236	236	236	236	236	236	236	236	236	236
<b>Inventory Not Included in Retail Store GOB</b>	<b>166,046</b>	<b>177,796</b>	<b>190,824</b>	<b>196,003</b>	<b>174,299</b>	<b>195,614</b>	<b>227,890</b>	<b>248,738</b>	<b>264,067</b>	<b>235,690</b>	<b>218,000</b>	<b>190,460</b>
<b>Inventory to be Sold on a Wholesale Basis</b>	<b>110,896</b>	<b>109,586</b>										
<b>Go-Forward On-Hand Retail Inventory</b>	<b>\$1,326,950</b>	<b>\$1,332,607</b>	<b>\$1,295,858</b>	<b>\$1,266,786</b>	<b>\$1,302,593</b>	<b>\$1,256,908</b>	<b>\$1,208,579</b>	<b>\$1,223,993</b>	<b>\$1,329,733</b>	<b>\$1,490,690</b>	<b>\$1,601,780</b>	<b>\$1,577,860</b>
<b>In-Transit Inventory</b>	<b>\$55,150</b>	<b>\$68,210</b>	<b>\$81,239</b>	<b>\$86,417</b>	<b>\$64,714</b>	<b>\$86,028</b>	<b>\$118,304</b>	<b>\$139,152</b>	<b>\$154,482</b>	<b>\$126,104</b>	<b>\$108,414</b>	<b>\$80,875</b>
<b>Total Go-Forward Retail Inventory</b>	<b>\$1,382,100</b>	<b>\$1,400,817</b>	<b>\$1,377,097</b>	<b>\$1,353,203</b>	<b>\$1,367,306</b>	<b>\$1,342,936</b>	<b>\$1,326,883</b>	<b>\$1,363,145</b>	<b>\$1,484,215</b>	<b>\$1,616,794</b>	<b>\$1,710,194</b>	<b>\$1,658,734</b>
<b>Wave 2 Closings</b>												
Wave 2 Closings	\$31,709	N/A										
<b>Total Adjusted Inventory to be Included in Retail Store GOB (1) (2)</b>	<b>\$1,548,169</b>	<b>\$1,474,364</b>	<b>\$1,410,161</b>	<b>\$1,353,203</b>	<b>\$1,367,306</b>	<b>\$1,342,936</b>	<b>\$1,326,883</b>	<b>\$1,363,145</b>	<b>\$1,484,215</b>	<b>\$1,616,794</b>	<b>\$1,710,194</b>	<b>\$1,658,734</b>

Note(s):

(1) Dollars (\$) may not add due to rounding.

(2) This Exhibit should be read in conjunction with the full written report.

SEARS\_507B\_00001274

Exhibit F

JX 020-62

**Exhibits** | Inventory Appraisal

**TIGER**

**Sears Holdings Corporation**  
**Valuation of Pharmacy Scripts**  
As of December 1, 2018

Valuation	
Number of Pharmacies	89
<b>Scripts Valuation</b>	
Yearly Scripts Filled	3,640,038
Yearly Scripts Per Location	40,899
Total Weekly Average Scripts	68,680
Avg. Price Per Script	\$54.44
Gross Margin %	20.0%
Net Valuation / Script (1)	\$10.08
Estimated Price Range for Rx Files (2)	
Low	\$34,724,726
High	38,655,828
<b>Estimated Price of Rx Files For Valuation (1)</b>	<b>\$36,690,000</b>

**Note(s):**

- (1) Tiger's estimated price reflects the mid-point of the projected price range of Rx files.  
(2) See Exhibit Rx 1.

Exhibit Rx

**Exhibits | Inventory Appraisal**

**TIGER**

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SEARS\_507B\_00001276

**Sears Holdings Corporation**

**Valuation of Pharmacy Scripts by Location**

**As of December 1, 2018**

Loc. No.	Prescriptions Filled		Avg. Price per Script \$	Projected Sales \$		Expected GM % (1)	Customer Retention	Projected Gross Margin \$ (1)		Estimated Price Point Range of Rx Files (2) (3)		
	Total	Weekly Avg.		Weekly	Annual			Weekly	Annual	Low	High	Mid
3021	15,167	286	\$72.68	\$20,798	\$1,081,507	20.9%	80%	\$3,469	\$180,405	\$202,261	\$225,159	\$213,710
3088	28,856	544	63.32	34,477	1,792,803	24.7%	80%	6,824	354,827	397,816	442,852	420,334
3136	36,674	692	61.34	42,443	2,207,057	19.5%	80%	6,616	344,047	385,729	429,397	407,563
3155	20,967	396	66.59	26,344	1,369,905	20.7%	80%	4,354	226,433	253,867	282,606	268,237
3172	43,623	823	76.16	62,682	3,259,481	19.0%	80%	9,540	496,079	657,305	731,717	694,511
3266	45,007	849	44.96	38,183	1,985,542	19.7%	80%	6,022	313,140	382,994	426,352	404,673
3268	38,095	719	46.49	33,416	1,737,638	19.9%	80%	5,322	276,758	366,704	408,218	387,461
3317	16,175	305	79.68	24,318	1,264,550	18.2%	80%	3,546	184,410	206,752	230,158	218,455
3379	15,024	283	65.77	18,645	969,547	20.1%	80%	2,994	155,683	174,545	194,304	184,424
3484	29,091	549	54.00	29,638	1,541,171	20.8%	80%	4,925	256,105	287,133	319,639	303,386
3592	35,377	667	58.24	38,872	2,021,370	21.8%	80%	6,792	353,165	431,949	480,848	456,398
3667	18,978	358	70.79	25,348	1,318,076	24.8%	80%	5,021	261,114	345,977	385,144	365,560
3707	15,967	301	63.86	19,240	1,000,455	21.3%	80%	3,279	170,485	191,140	212,778	201,959
3725	45,672	862	51.22	44,134	2,294,977	22.4%	80%	7,916	411,634	545,415	607,160	576,288
3750	33,197	626	63.65	39,869	2,073,191	24.2%	80%	7,718	401,337	327,244	364,291	345,767
3785	22,195	419	61.16	25,614	1,331,927	19.1%	80%	3,907	203,167	269,197	299,672	284,434
3810	62,214	1,174	60.41	70,912	3,687,442	20.2%	80%	11,443	595,014	788,394	877,646	833,020
3819	30,810	581	67.78	39,403	2,048,959	20.4%	80%	6,425	334,115	374,594	417,001	395,798
3829	39,064	737	42.94	31,651	1,645,835	29.9%	80%	7,564	393,339	440,994	490,918	465,956
3841	45,770	864	68.85	59,455	3,091,678	18.0%	80%	8,549	444,546	362,476	403,511	382,993
3851	44,136	833	54.88	45,702	2,376,530	26.0%	80%	9,505	494,247	554,127	616,858	585,493
3862	18,378	347	76.29	26,454	1,375,625	23.1%	80%	4,889	254,214	285,013	317,278	301,145
3882	24,839	469	61.23	28,695	1,492,117	24.1%	80%	5,523	287,193	321,988	358,439	340,214
3911	46,268	873	54.02	47,162	2,452,419	19.7%	80%	7,418	385,755	314,539	350,147	332,343
3954	74,449	1,405	57.05	80,134	4,166,946	19.6%	80%	12,564	653,320	532,707	593,014	562,861
3963	37,369	705	51.19	36,096	1,876,997	18.7%	80%	5,407	281,181	315,248	350,936	333,092
3993	51,863	979	41.24	40,352	2,098,284	22.6%	80%	7,307	379,939	464,694	517,301	490,998
4016	27,374	516	66.09	34,135	1,775,030	22.9%	80%	6,259	325,464	398,067	443,131	420,599
4141	26,088	492	76.57	37,689	1,959,806	24.0%	80%	7,246	376,771	499,221	555,737	527,479
4214	24,019	453	69.42	31,462	1,636,048	22.1%	80%	5,572	289,748	354,384	394,503	374,444
4381	25,978	490	44.50	21,810	1,134,141	25.3%	80%	4,407	229,147	210,198	233,994	222,096
4399	20,241	382	55.53	21,208	1,102,797	22.0%	80%	3,738	194,377	217,927	242,598	230,262
4442	41,800	789	65.98	52,039	2,706,047	21.2%	80%	8,826	458,932	420,982	468,640	444,811
4453	33,753	637	72.59	46,226	2,403,755	22.8%	80%	8,444	439,105	537,059	597,858	567,459
4470	26,481	500	75.53	37,740	1,962,492	23.1%	80%	6,964	362,110	332,166	369,770	350,968
4494	89,449	1,688	37.14	62,677	3,259,206	23.3%	80%	11,701	608,437	682,151	759,376	720,764
4713	39,663	748	47.69	35,692	1,856,001	22.5%	80%	6,426	334,169	272,476	303,322	287,899

**Exhibits | Inventory Appraisal**

**TIGER**

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**Sears Holdings Corporation**

Valuation of Pharmacy Scripts by Location

As of December 1, 2018

Loc. No.	Prescriptions Filled		Avg. Price per Script \$	Projected Sales \$		Expected GM % (1)	Customer Retention	Projected Gross Margin \$ (1)		Estimated Price Point Range of Rx Files (2) (3)		
	Total	Weekly Avg.		Weekly	Annual			Weekly	Annual	Low	High	Mid
4732	34,539	652	40.56	26,429	1,374,328	25.6%	80%	5,421	281,871	316,021	351,797	333,909
4751	59,206	1,117	54.36	60,729	3,157,910	20.4%	80%	9,912	515,415	577,859	643,277	610,568
4782	41,126	776	50.73	39,366	2,047,040	22.9%	80%	7,207	374,778	305,588	340,183	322,885
4844	48,972	924	41.26	38,127	1,982,599	25.8%	80%	7,861	408,782	374,979	417,429	396,204
4871	26,143	493	80.69	39,800	2,069,603	19.4%	80%	6,181	321,403	393,100	437,602	415,351
7006	48,793	921	50.91	46,868	2,437,156	20.6%	80%	7,705	400,674	367,541	409,150	388,346
7030	38,759	731	61.85	45,231	2,352,011	18.4%	80%	6,665	346,586	388,576	432,566	410,571
7031	50,670	956	56.81	54,311	2,824,155	24.4%	80%	10,607	551,564	505,954	563,232	534,593
7033	51,895	979	50.25	49,207	2,558,745	16.3%	80%	6,409	333,293	373,673	415,975	394,824
7042	24,688	466	60.08	27,988	1,455,389	20.5%	80%	4,589	238,603	291,830	324,867	308,349
7068	34,899	658	64.57	42,514	2,210,748	20.7%	80%	7,024	365,222	409,471	455,826	432,648
7083	50,030	944	64.40	60,787	3,160,938	18.3%	80%	8,901	462,866	377,414	420,140	398,777
7208	13,515	255	56.35	14,369	747,187	23.5%	80%	2,701	140,428	186,068	207,132	196,600
7246	42,321	799	52.37	41,815	2,174,371	23.4%	80%	7,820	406,632	331,561	369,097	350,329
7255	55,113	1,040	55.36	57,571	2,993,692	22.5%	80%	10,349	538,156	658,206	732,720	695,463
7321	14,497	274	54.95	15,029	781,523	28.2%	80%	3,390	176,281	197,638	220,012	208,825
7329	17,091	322	70.08	22,600	1,175,181	20.8%	80%	3,768	195,935	239,644	266,774	253,209
7372	38,661	729	58.73	42,837	2,227,534	19.3%	80%	6,615	343,972	315,529	351,249	333,389
7397	27,659	522	59.83	31,224	1,623,624	21.8%	80%	5,436	282,664	374,529	416,929	395,729
7413	65,576	1,237	41.09	50,845	2,643,935	28.8%	80%	11,732	610,088	497,456	553,772	525,614
7419	43,975	830	43.37	35,988	1,871,353	24.2%	80%	6,963	362,102	332,159	369,762	350,960
7446	82,973	1,566	35.36	55,361	2,878,749	25.0%	80%	11,090	576,660	646,525	719,716	683,120
7477	40,141	757	57.57	43,604	2,267,400	22.1%	80%	7,698	400,313	489,613	545,041	517,327
7566	38,380	724	37.10	26,865	1,397,000	26.1%	80%	5,611	291,785	356,876	397,277	377,076
7570	75,534	1,425	40.82	58,175	3,025,088	23.4%	80%	10,895	566,552	519,703	578,537	549,120
7616	43,129	814	61.91	50,376	2,619,551	22.4%	80%	9,008	468,406	620,638	690,899	655,768
7626	42,551	803	59.55	47,813	2,486,275	22.5%	80%	8,610	447,727	593,239	660,398	626,818
7644	22,142	418	55.76	23,295	1,211,350	21.3%	80%	3,961	205,994	230,951	257,096	244,024
7649	14,762	279	58.73	16,358	850,597	29.4%	80%	3,851	200,231	40,816	45,437	43,127
7665	60,216	1,136	40.25	45,735	2,378,222	24.7%	80%	9,039	470,053	431,183	479,996	455,590
7673	40,301	760	70.45	53,568	2,785,542	17.8%	80%	7,620	396,219	363,455	404,600	384,028
7676	51,363	969	70.87	68,684	3,571,558	17.0%	80%	9,333	485,309	544,106	605,703	574,904
7699	36,803	694	54.54	37,869	1,969,196	17.8%	80%	5,391	280,345	314,310	349,892	332,101
7705	89,600	1,691	85.01	143,713	7,473,073	23.1%	80%	26,514	1,378,751	1,124,213	1,251,482	1,187,847
7741	53,418	1,008	42.88	43,220	2,247,435	23.7%	80%	8,180	425,383	390,207	434,381	412,294
7749	21,343	403	91.38	36,797	1,913,422	18.2%	80%	5,371	279,300	370,073	411,968	391,020
7752	133,529	2,519	37.00	93,212	4,847,013	22.8%	80%	17,039	886,006	993,350	1,105,804	1,049,577

**Exhibits | Inventory Appraisal**

**TIGER**

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**Sears Holdings Corporation**

**Valuation of Pharmacy Scripts by Location**

**As of December 1, 2018**

Loc. No.	Prescriptions Filled		Avg. Price per Script \$	Projected Sales \$		Expected GM % (1)	Customer Retention	Projected Gross Margin \$ (1)		Estimated Price Point Range of Rx Files (2) (3)		
	Total	Weekly Avg.		Weekly	Annual			Weekly	Annual	Low	High	Mid
7767	28,798	543	72.79	39,550	2,056,608	11.0%	80%	3,484	181,174	36,932	41,113	39,022
7768	49,757	939	37.56	35,260	1,833,543	24.4%	80%	6,880	357,763	328,179	365,331	346,755
7777	13,110	247	74.98	18,548	964,472	19.0%	80%	2,815	146,371	193,942	215,898	204,920
7783	49,422	932	38.63	36,021	1,873,092	25.3%	80%	7,281	378,615	347,306	386,624	366,965
7784	101,692	1,919	32.52	62,405	3,245,061	24.1%	80%	12,019	625,005	700,727	780,054	740,390
7788	56,131	1,059	41.65	44,114	2,293,912	22.9%	80%	8,097	421,064	472,077	525,520	498,798
9220	34,331	648	59.75	38,705	2,012,648	20.9%	80%	6,472	336,567	68,608	76,375	72,491
9394	38,613	729	35.17	25,619	1,332,212	24.2%	80%	4,964	258,138	289,412	322,176	305,794
9420	40,750	769	65.97	50,725	2,637,684	16.4%	80%	6,653	345,971	423,149	471,053	447,101
9593	35,108	662	77.97	51,648	2,685,679	18.6%	80%	7,683	399,533	325,773	362,653	344,213
9621	31,774	600	61.70	36,987	1,923,347	20.0%	80%	5,933	308,497	345,872	385,028	365,450
9662	71,871	1,356	59.16	80,224	4,171,673	18.0%	80%	11,547	600,431	550,780	613,133	581,956
9689	48,047	907	52.72	47,793	2,485,220	19.1%	80%	7,286	378,882	77,234	85,977	81,605
9746	57,136	1,078	48.48	52,265	2,717,783	20.3%	80%	8,506	442,298	405,723	451,654	428,689
9794	19,114	361	55.52	20,024	1,041,234	20.6%	80%	3,294	171,313	209,529	233,249	221,389
<b>Total</b>	<b>3,640,038</b>	<b>68,680</b>	<b>\$54.44</b>	<b>\$3,738,885</b>	<b>\$194,422,014</b>	<b>21.5%</b>	<b>80%</b>	<b>\$643,805</b>	<b>\$33,477,884</b>	<b>\$34,724,726</b>	<b>\$38,655,828</b>	<b>\$36,690,277</b>

**Number of Pharmacies** 89

**Note(s):**

- (1) According to management, Cardinal Health did not provide rebates during the months of October and November 2018 after the Company's filing for bankruptcy. In order to more accurately reflect the Company's margin under normal course business, Tiger projected the expected gross margin using the historical gross margin for the 10 months ending September 2018.
- (2) Tiger took into account the number and proximity of competitors of each pharmacy, within a five-mile range, based on the information provided by the Company. See Exhibit Rx 3.
- (3) Tiger's estimated price reflects the mid-point of the target recovery range.

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## Exhibits | Inventory Appraisal

TIGER

**Sears Holdings Corporation**  
**Pharmacy Sales and Gross Margin by Location**  
**12 Months Ending November 2018**

Loc. No.	Prescriptions Filled		Net Sales \$	Avg. Price per Script \$	Gross Margin					
	Total	Weekly Avg.			Before Rebates		Estimated After Rebates			
					\$	% of Net	\$	% of Net		
3021	15,167	286	\$1,102,305	\$72.68	\$90,801	8.2%	212,065	19.2%		
3088	28,856	544	1,827,280	63.32	224,669	12.3%	427,255	23.4%		
3136	36,674	692	2,249,500	61.34	155,646	6.9%	403,440	17.9%		
3155	20,967	396	1,396,249	66.59	116,520	8.3%	268,472	19.2%		
3172	43,623	823	3,322,163	76.16	207,923	6.3%	573,320	17.3%		
3266	45,007	849	2,023,725	44.96	142,175	7.0%	366,465	18.1%		
3268	38,095	719	1,771,054	46.49	127,730	7.2%	321,410	18.1%		
3317	16,175	305	1,288,869	79.68	77,873	6.0%	223,505	17.3%		
3379	15,024	283	988,192	65.77	74,913	7.6%	184,583	18.7%		
3484	29,091	549	1,570,809	54.00	136,536	8.7%	305,249	19.4%		
3592	35,377	667	2,060,242	58.24	197,345	9.6%	424,781	20.6%		
3667	18,978	358	1,343,423	70.79	167,994	12.5%	312,166	23.2%		
3707	15,967	301	1,019,695	63.86	91,600	9.0%	206,618	20.3%		
3725	45,672	862	2,339,111	51.22	236,458	10.1%	492,333	21.0%		
3750	33,197	626	2,113,060	63.65	247,110	11.7%	480,926	22.8%		
3785	22,195	419	1,357,541	61.16	77,897	5.7%	239,475	17.6%		
3810	62,214	1,174	3,758,355	60.41	283,600	7.5%	698,390	18.6%		
3819	30,810	581	2,088,362	67.78	159,137	7.6%	385,232	18.4%		
3829	39,064	737	1,677,486	42.94	329,239	19.6%	502,507	30.0%		
3841	45,770	864	3,151,133	68.85	178,237	5.7%	525,408	16.7%		
3851	44,136	833	2,422,232	54.88	324,317	13.4%	596,894	24.6%		
3862	18,378	347	1,402,079	76.29	138,864	9.9%	295,397	21.1%		
3882	24,839	469	1,520,812	61.23	176,449	11.6%	344,650	22.7%		
3911	46,268	873	2,499,581	54.02	174,732	7.0%	449,969	18.0%		
3954	74,449	1,405	4,247,080	57.05	288,566	6.8%	752,124	17.7%		
3963	37,369	705	1,913,093	51.19	117,321	6.1%	325,774	17.0%		
3993	51,863	979	2,138,636	41.24	217,439	10.2%	450,105	21.0%		
4016	27,374	516	1,809,165	66.09	184,960	10.2%	383,199	21.2%		
4141	26,088	492	1,997,494	76.57	224,385	11.2%	441,447	22.1%		
4214	24,019	453	1,667,511	69.42	176,370	10.6%	360,590	21.6%		
4381	25,978	490	1,155,952	44.50	145,107	12.6%	269,682	23.3%		
4399	20,241	382	1,124,005	55.53	110,553	9.8%	234,261	20.8%		
4442	41,800	789	2,758,087	65.98	243,368	8.8%	546,321	19.8%		
4453	33,753	637	2,449,981	72.59	245,551	10.0%	514,841	21.0%		
4470	26,481	500	2,000,233	75.53	219,044	11.0%	433,619	21.7%		
4494	89,449	1,688	3,321,883	37.14	364,539	11.0%	723,341	21.8%		
4713	39,663	748	1,891,694	47.69	187,721	9.9%	397,207	21.0%		
4732	34,539	652	1,400,757	40.56	187,764	13.4%	338,678	24.2%		
4751	59,206	1,117	3,218,639	54.36	253,413	7.9%	615,172	19.1%		
4782	41,126	776	2,086,407	50.73	224,354	10.8%	449,805	21.6%		
4844	48,972	924	2,020,725	41.26	270,726	13.4%	485,623	24.0%		
4871	26,143	493	2,109,403	80.69	152,218	7.2%	380,953	18.1%		
7006	48,793	921	2,484,024	50.91	202,378	8.1%	472,694	19.0%		
7030	38,759	731	2,397,242	61.85	147,350	6.1%	407,333	17.0%		
7031	50,670	956	2,878,465	56.81	344,834	12.0%	660,763	23.0%		
7033	51,895	979	2,607,951	50.25	97,591	3.7%	381,002	14.6%		
7042	24,688	466	1,483,377	60.08	122,254	8.2%	286,025	19.3%		

## Exhibits | Inventory Appraisal

TIGER

**Sears Holdings Corporation**  
**Pharmacy Sales and Gross Margin by Location**  
**12 Months Ending November 2018**

Loc. No.	Prescriptions Filled		Net Sales \$	Avg. Price per Script \$	Gross Margin					
	Total	Weekly Avg.			Before Rebates		Estimated After Rebates			
					\$	% of Net	\$	% of Net		
7068	34,899	658	2,253,262	64.57	187,535	8.3%	435,884	19.3%		
7083	50,030	944	3,221,726	64.40	177,756	5.5%	527,398	16.4%		
7208	13,515	255	761,556	56.35	85,819	11.3%	170,474	22.4%		
7246	42,321	799	2,216,186	52.37	240,426	10.8%	483,702	21.8%		
7255	55,113	1,040	3,051,263	55.36	308,613	10.1%	637,047	20.9%		
7321	14,497	274	796,552	54.95	127,292	16.0%	214,219	26.9%		
7329	17,091	322	1,197,780	70.08	103,451	8.6%	234,206	19.6%		
7372	38,661	729	2,270,372	58.73	143,574	6.3%	392,058	17.3%		
7397	27,659	522	1,654,848	59.83	150,073	9.1%	334,411	20.2%		
7413	65,576	1,237	2,694,780	41.09	454,232	16.9%	743,479	27.6%		
7419	43,975	830	1,907,340	43.37	217,396	11.4%	434,039	22.8%		
7446	82,973	1,566	2,934,110	35.36	367,061	12.5%	684,712	23.3%		
7477	40,141	757	2,311,004	57.57	213,379	9.2%	464,437	20.1%		
7566	38,380	724	1,423,865	37.10	203,430	14.3%	351,377	24.7%		
7570	75,534	1,425	3,083,263	40.82	336,343	10.9%	670,131	21.7%		
7616	43,129	814	2,669,927	61.91	257,693	9.7%	550,701	20.6%		
7626	42,551	803	2,534,088	59.55	253,767	10.0%	535,128	21.1%		
7644	22,142	418	1,234,645	55.76	107,047	8.7%	247,411	20.0%		
7649	14,762	279	866,954	58.73	142,929	16.5%	243,148	28.0%		
7665	60,216	1,136	2,423,957	40.25	298,308	12.3%	558,919	23.1%		
7673	40,301	760	2,839,110	70.45	149,275	5.3%	469,146	16.5%		
7675	51,363	969	3,640,242	70.87	153,360	4.2%	561,805	15.4%		
7699	36,803	694	2,007,065	54.54	103,685	5.2%	323,172	16.1%		
7705	89,600	1,691	7,616,786	85.01	804,010	10.6%	1,638,488	21.5%		
7741	53,418	1,008	2,290,655	42.88	252,118	11.0%	504,532	22.0%		
7749	21,343	403	1,950,218	91.38	113,987	5.8%	330,805	17.0%		
7752	133,529	2,519	4,940,225	37.00	522,310	10.6%	1,053,411	21.3%		
7767	28,798	543	2,096,158	72.79	1,915	0.1%	229,090	10.9%		
7768	49,757	939	1,868,803	37.56	224,197	12.0%	429,369	23.0%		
7777	13,110	247	983,020	74.98	63,877	6.5%	169,881	17.3%		
7783	49,422	932	1,909,113	38.63	248,218	13.0%	455,667	23.9%		
7784	101,692	1,919	3,307,466	32.52	377,209	11.4%	740,279	22.4%		
7788	56,131	1,059	2,338,026	41.65	241,478	10.3%	495,143	21.2%		
9220	34,331	648	2,051,353	59.75	177,518	8.7%	402,830	19.6%		
9394	38,613	729	1,357,831	35.17	158,128	11.6%	305,438	22.5%		
9420	40,750	769	2,688,409	65.97	96,813	3.6%	389,711	14.5%		
9593	35,108	662	2,737,326	77.97	173,284	6.3%	472,126	17.2%		
9621	31,774	600	1,960,335	61.70	149,930	7.6%	370,103	18.9%		
9662	71,871	1,356	4,251,897	59.16	223,798	5.3%	687,337	16.2%		
9689	48,047	907	2,533,012	52.72	174,527	6.9%	450,948	17.8%		
9746	57,136	1,078	2,770,048	48.48	226,159	8.2%	527,633	19.0%		
9794	19,114	361	1,061,257	55.52	84,634	8.0%	203,926	19.2%		
<b>Total</b>	<b>3,640,038</b>	<b>68,680</b>	<b>\$198,160,898</b>	<b>\$54.44</b>	<b>\$17,962,128</b>	<b>9.1%</b>	<b>\$39,674,788</b>	<b>20.0%</b>		

Data Source(s):

"2018 Calendar Year Pharmacy Rx Volume" and "Pharmacy Sales and GM 12 Months" reports.

**Exhibits | Inventory Appraisal**

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**Sears Holdings Corporation**  
**Pharmacy Competition by Location**  
**As of December 1, 2018**

Location Information				Pharmacy Competitors within a 5 Mile Radius (1)										
No.	City	State	Zip	Walmart	Walgreens	Target	Rite Aid	All Drug	Costco	CVS	Meijer	Kroger	Other	Total
3021	Auburn	ME	04210	0.4			1.6							2
3088	Kenosha	WI	53144	1.5	1.1	3.9		2.1						4
3136	Shillington	PA	19607	2.4	0.4	3.6	1.4							4
3155	Belleville	MI	48111	3.0	3.0	4.1	0.9	2.7			3.1		1.0	7
3172	Hagerstown	MD	21740	0.2	0.6	0.7	3.1							4
3266	Edwardsville	PA	18704	2.7	0.7	3.5	0.4	1.8						5
3268	Wilkes-Barre	PA	18702	0.5	1.2	2.2	0.1	1.0						5
3317	Boca Raton	FL	33486	3.6	1.5	3.4			4.3				1.0	5
3379	Waterford Twp.	MI	48329	4.4	0.4	5.0	1.1	2.5	4.8		3.2			7
3484	Elkview	WV	25071				2.0					1.0		2
3592	Las Vegas	NV	89110	0.6	0.9	1.0								3
3667	Raleigh	NC	27615	4.1	0.3	4.1	0.1			1.0		1.0	1.0	7
3707	Lake Havasu City	AZ	86403		0.5			0.3						2
3725	Freedom	CA	95019		0.1	1.2	0.5	0.3						4
3750	Waupaca	WI	54981				0.1							1
3785	Tabb	VA	23693	0.7	0.6	1.7	2.6		1.7			1.0		6
3810	Willow Street	PA	17584	4.0			0.3		5.0	1.0			1.0	5
3819	Hastings	MI	49058	0.9	0.4									2
3829	St. Thomas	VI	00802		1.0								1.0	2
3841	Marshall	MI	49068				0.2							1
3851	Racine	WI	53402		0.2			1.6						2
3862	Bohemia	NY	11716		2.0	1.4	1.5		2.3				3.0	5
3882	Mayaguez	PR	00680					3.0		1.0			1.0	3
3911	Columbia	PA	17512				1.2							1
3954	Walnutport	PA	18088				0.5							1
3963	Elizabethtown	PA	17022							1.0			1.0	2
3993	Juana Diaz	PR	00795		2.0					1.0			1.0	3
4016	Greenville	SC	29605	3.1	1.4		1.3			1.0			1.0	5
4141	West Columbia	SC	29169	1.3	0.1		0.2	4.9		1.0			3.0	6
4214	Des Plaines	IL	60018	1.4	0.9	1.2			4.7		3.2			5
4381	Bridgeview	IL	60455	2.9	0.1	3.2			3.2					4
4399	Silver Spring	MD	20906		4.0	3.0	0.2		3.5				1.0	5
4442	Charleston	WV	25304				2.3					3.0		2
4453	Pueblo	CO	81008	0.6	0.8	1.0								3
4470	West Long Branch	NJ	07764		0.2	4.6	2.1	3.0	4.5					5
4494	Trujillo Alto	PR	00976							1.0			1.0	2
4713	Towanda	PA	18848				1.2			1.0				1
4732	Aguadilla	PR	00605		3.0								1.0	3
4751	Tehachapi	CA	93561		0.9		0.7							2

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**Sears Holdings Corporation**  
**Pharmacy Competition by Location**  
**As of December 1, 2018**

Location Information				Pharmacy Competitors within a 5 Mile Radius (1)										
No.	City	State	Zip	Walmart	Walgreens	Target	Rite Aid	All Drug	Costco	CVS	Meijer	Kroger	Other	Total
4782	Clinton	OK	73601							1.0		1.0		1
4844	Rio Piedras	PR	00926									3.0		2
4871	Farmingville	NY	11738	1.8	1.5	1.8	1.5		4.1			1.0		6
7006	Twin Falls	ID	83301	3.4	1.3	2.2			2.4					4
7030	Kalispell	MT	59901	2.5	2.0	2.8			2.8			1.0		5
7031	Menominee	MI	49858			2.9	2.5							2
7033	Lewiston	ID	83501	2.6	0.2		0.3		2.6					4
7042	Valparaiso	IN	46383	2.6	0.6	2.0		0.4		3.0		3.0		6
7068	Midland	MI	48640	3.4	0.5	3.4	1.0				3.6			5
7083	New Castle	PA	16101		4.0		3.2	4.7					3.0	4
7208	Clemmons	NC	27012	3.5	0.7	4.2	3.0		4.2	1.0		1.0		7
7246	Richmond	IN	47374	4.9	4.9						4.3			3
7255	Somerset	KY	42501	2.2	1.1		1.8			1.0		3.0		5
7321	Bradenton	FL	34209	2.8	2.0					3.0			1.0	4
7329	Loveland	CO	80537	2.7	0.2	2.0							1.0	4
7372	Leechburg	PA	15656				2.6						1.0	2
7397	Grove City	OH	43123	1.3	0.5	1.6		0.3			3.1	1.0		6
7413	Frederiksted	VI	00840										3.0	1
7419	Caguas	PR	00725		3.0					1.0			3.0	3
7446	Cayey	PR	00736							1.0			1.0	2
7477	Marietta	OH	45750	0.8	1.0		1.0							3
7566	Arecibo	PR	00612					2.0		1.0			1.0	3
7570	Bayamon	PR	00961		3.0			4.0		1.0			3.0	4
7616	Lexington	SC	29072	1.7	0.5	3.5	0.4			1.0			1.0	6
7626	Waynesville	NC	28786	3.1				0.7			1.0		1.0	4
7644	Harrison	OH	45030		0.1							1.0		2
7649	Ripon	WI	54971											
7665	Carolina	PR	00985					3.0		1.0			3.0	3
7673	Stevensville	MD	21666		2.1		1.7							2
7676	Sidney	NY	13838				1.3						1.0	2
7699	Lebanon	PA	17042	3.1			1.4			1.0				3
7705	Tamuning	GU	96913										1.0	1
7741	Ponce	PR	00728		3.0			4.0		1.0			3.0	4
7749	New York	NY	10119	3.9	0.0	2.7	0.5	0.8	3.0					6
7752	Yauco	PR	00698		5.0					1.0			1.0	3
7767	Charles City	IA	50616											
7768	Guaynabo	PR	00969		5.0					1.0			3.0	3
7777	New York	NY	10003	5.0	0.0	2.3	0.4	0.7	3.8					6
7783	Hato Rey	PR	00918							1.0			3.0	2
7784	Vega Alta	PR	00692		5.0				3.0		1.0		1.0	4
7788	Bayamon	PR	00957		5.0				5.0		1.0		1.0	4

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**Sears Holdings Corporation**  
**Pharmacy Competition by Location**  
**As of December 1, 2018**

Location Information				Pharmacy Competitors within a 5 Mile Radius (1)										
No.	City	State	Zip	Walmart	Walgreens	Target	Rite Aid	All Drug	Costco	CVS	Meijer	Kroger	Other	Total
9220	Algona	IA	50511							1.0			1.0	-
9394	Fajardo	PR	00738										1.0	2
9420	Bronx	NY	10473		0.6	1.1	0.6		4.5					4
9593	Oscoda	MI	48750							2.6				1
9621	Lebanon	TN	37087	2.7	0.6		0.3							3
9662	Ephrata	PA	17522	2.4									1.0	2
9689	International Falls	MN	56649											-
9746	Grass Valley	CA	95949		2.9		2.5							2
9794	St. George	UT	84770	2.1	1.1	1.7	1.3		4.0					5
<b>Total</b>				40	57	32	45	22	18	29	6	7	42	298
<b>Avg. Distance</b>				2.4	1.5	2.6	1.2	2.3	3.6	1.1	3.4	1.6	1.6	1.65

Note(s):

(1) The compiled data includes only those competitors within a 5 mile radius.

Data Source(s):

"2018 Calendar Year Pharmacy Competitor List" report.

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1. No responsibility is assumed for matters of a legal nature which might affect the property that is the subject of this Report or the rights of any person therein or thereon. Without limiting the generality of the foregoing, the annexed Report assumes that the Company has good and marketable title to the property that is the subject of this Report; that such property is not subject to any liens, claims, encumbrances, or impediments to its free transferability; that the property is not subject to any claims by third parties or otherwise the subject of any litigation, arbitration, or other proceedings; that there are no existing or threatened defaults or breaches of any contracts or other agreements with vendors, suppliers, customers, or other parties concerning the subject property; that such property conforms to all statutes, regulations, rules, and codes that might relate to or affect the use, sale, or other disposition of the property (including, without limitation, all product safety rules and regulations applicable to the property); and that the Company is in compliance with all laws and regulations applicable to it and to its business. The Report further assumes that all manufacturers' and other warranties relating to all such property are in place and in full force and effect, and that none of the property is subject to any product recall.
2. Tiger has not been engaged to review any legal matters or to render any advice of a legal nature. The reader is advised to consult with his or her attorney on rules of law as they apply to the property in question (including as to the disposition thereof). The discussion in this Appendix should be considered neither a list of legal considerations nor legal advice. Tiger recommends that the reader rely on his or her own counsel for legal advice.
3. The 12-month pro forma included in the annexed Report ("the Pro Forma") are based upon total inventory, as projected by the Company. Tiger has assumed that the departmental mix (as to type, category, brand, style, and description) for the projected monthly inventories will be similar to that of the most recent appraisal conducted by Tiger with respect to the Company, if applicable. Any difference between the assumed departmental mix and the actual mix of the subject inventory, or between projected liquidation expenses and actual liquidation expenses could alter the outcome of the projected recovery values.
4. The recovery values projected in the Pro Forma are based upon all of the financial and inventory information which has been supplied by the Company, and Tiger has relied on the truth, accuracy, and completeness of all such information without independent verification, except as otherwise expressly set forth in the Report. Any change in circumstances relating to the Company, the inventory, competitive environment, or market sector in which the Company operates may result in material changes in recoveries on the subject inventory. Such changes in circumstances may include (but are not limited to) material changes in the quantity, quality, mix, and assortment of the inventory; material changes in the Company's sales and margins; material adverse changes in the Company's operations; and the Company's failure to take all normal-course permanent markdowns on inventory. In rendering the Report, Tiger has assumed that the Company will operate in the ordinary course throughout the period to which the Pro Forma relate, and that there will be no material adverse changes in the Company's business.
5. The Pro Forma assume peaceful use and occupancy of all store locations throughout any liquidation period. In the event that the Company is subject to a bankruptcy proceeding, the Company may not have use of all or any store locations beyond period for rejection or assumption of leases prescribed by the United States Bankruptcy Code. Tiger notes that under the Bankruptcy Code, a debtor is generally required to assume or reject leases of real property within 120 days after the filing of the bankruptcy petition. This may be extended for a period of 90 days by the Bankruptcy Court, but no further extension is permitted unless a lessor should consent to such further extension. There can be no assurance that a Bankruptcy Court will grant an initial extension of the date for the debtor's assumption or rejection of leases, or that any lessor would consent to

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6. It is an express condition of this Report that none of Tiger's affiliates, officers, directors, members, or employees are required to provide testimony or appear in any proceeding regarding this Report, unless otherwise expressly agreed upon by Tiger and the recipient of this Report.
  7. The opinions expressed herein as to value are premised on the specific methods of sale contemplated by this Report (including, without limitation, the stated length of sale) and must not be relied upon in conjunction with any other proposed method of disposition of the subject assets.
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  10. The opinions expressed in this Report are illustrative of Tiger's view of the net liquidation value of the subject assets, based on the conditions and assumptions set forth in this Report, to be achieved through a competitive auction process involving multiple retail liquidation firm bidders and absent any material and adverse circumstances affecting the liquidation of the subject assets, the auction or sale process, and the retail liquidation industry generally. The opinions expressed in this Report do not constitute an offer by Tiger or its affiliates to provide any liquidation services with respect to the subject assets or otherwise, or a guaranty of the results of any liquidation of the subject assets or the results of any auction or other bidding process with respect to the liquidation of the subject assets, or an indication of Tiger's willingness to participate in any such auction or sale process, or a warranty of any bid that Tiger might submit in any such auction or sale process. The results of any auction or other sale process with respect to the liquidation of the subject assets is dependent upon a variety of factors, including, without limitation, the willingness of retail liquidation firms to participate in any such auction or process; the terms, conditions, and limitations imposed in connection with any such process and any proposed Agency Agreement or other contract or agreement relating thereto; and general business conditions affecting the retail liquidation sector. The retail liquidation industry in the United States is characterized by a limited number of nationally recognized participants. The success of any auction or other sale process relative to the liquidation of the subject assets is dependent upon the creation of a competitive auction environment. With a limited number of potential buyers, the willingness of any one or more retail liquidators to participate aggressively in an auction for the subject assets may be critical to the success of the auction process and the value received with respect to the subject assets. Any individual retail liquidator's willingness to bid or perform services is dependent upon such liquidator's current circumstances, including other ongoing or potential liquidation opportunities, availability of personnel, and constraints of

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capital. There can be no assurance that any or all of the bidders in any such process would participate or bid at the levels forecast in this Report.

11. Tiger represents that, except as disclosed in writing to the addressee(s) of this Report, Tiger has no present or contemplated future interest with respect to the Company, the property appraised, or the subject matter of this Report. Tiger's compensation for preparing this Report is not contingent upon the appraised value of the property or the other opinions and conclusions expressed herein.
12. This Report has not been compiled under the standards of any certifying organization or society.
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